FW Thorpe Plc

Annual Report and Accounts 2024

WELCOME

2024 Annual Report.

Who we are.

We specialise in designing and manufacturing professional lighting systems. We currently employ over 900 people and, although each company works autonomously, our skills and markets are complementary.

Our purpose.

Provide technically advanced lighting solutions that deliver long-term lowest cost of ownership.

Our vision.

Maintain a consistently respected and profitable organisation with an environmental conscience.

Revenue (£m)

-0.5%

2024	175.8
2023	176.7
2022	143.7
2021	117.9
2020	113.3

Operating profit (£m)

+10.1%

2024	30.6
2023	27.8
2022	24.7
2021	19.2[2]
2020	16.3

Dividend per share (pence)

+5.0%

2024	6.78[1]
2023	6.46
2022	6.15[1]
2021	5.80[1]
2020	5.66

Basic earnings per share (pence)

+10.7%

2024	20.73
2023	18.72
2022	17.16
2021	13.57[2]
2020	11.45

CO_2 emissions (tCO_2) (Scopes 1, 2 and 3)

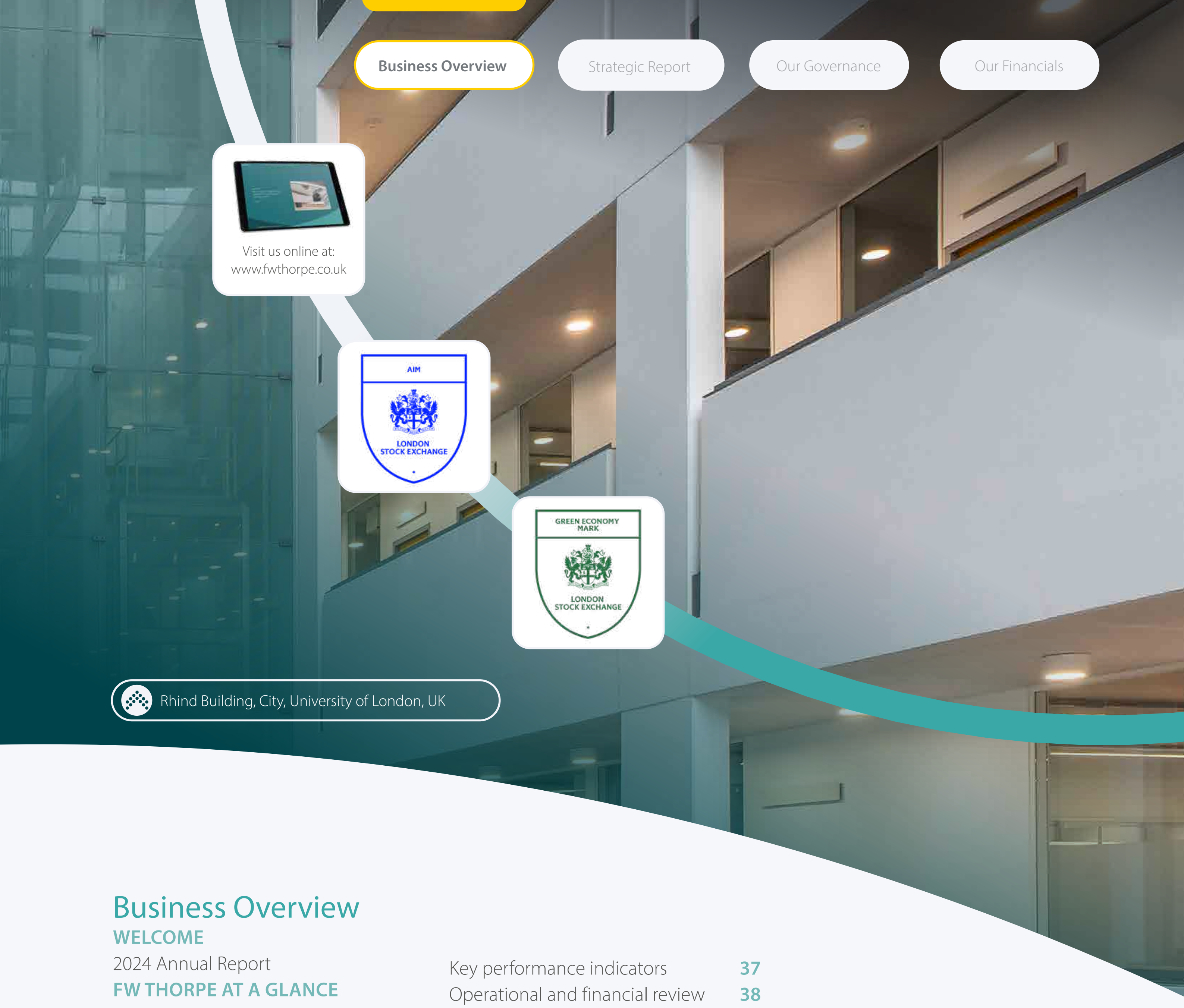
-10.2%

2024	212,912
2023	237,081[3]
2022	274,154[3]
2021	322,956[3]

Operational highlights.

- Strong performance, supported by operational improvements at Thorlux and revenue growth at Lightronics
- Operating profit growth despite inflationary cost pressures
- Recent acquisitions continue to perform in line with expectations
- Strong net cash generated from operating activities continued with £41.4m.

1 2024, 2022 and 2021 dividends exclude special dividends
2 2021 excludes the exceptional items in respect of Lightronics fire £1.6m
3 Restated to include SchahlLED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Rhind Building, City, University of London, UK

Our investment case.

The new Arden emergency luminaire, Philip Payne

01

Product innovation...

Product design and development is fundamental to our operations.

- We maintain a competitive advantage with market-leading products, utilising technology to attract new customers and retain them.
- We engage in continuous product development – products, software/controls, and lighting design. We have also focused on the further development of our SmartScan wireless system.
- In addition, our diversified product portfolio gives us the ability to supply a complete project – from "boiler room to boardroom, and beyond".

£2.0m **(2023: £1.9m)**
Group spend on capitalised R&D this year

Read more about **Strategy in action** on pages 28 to 33

Our focus on sustainability...

Environmental issues are a significant focus for us:

- We carry the LSE Green Mark; we continue to plant trees (179,412 trees planted to date).
- We invest in installing solar panels across the UK, Spain and the Netherlands manufacturing facilities; and we monitor CO_2 emissions.
- Energy saving products are a substantial part of the business, as well as our carbon offsetting programme; we continue to invest in solar to reduce our emissions.
- We have family principles and a supportive culture. Our employees are fundamental to our success.
- We support local communities by giving to charities – this year, we gave £34,000.

479 **(2023: 527 tonnes)**
of CO_2e saved from solar panels

Read more about **Sustainability** on pages 52 to 79

02

Prime Plc, Worcester, UK

Zemper's injection moulding facility, Ciudad Real

And strong financial performance...

We achieved an improved financial performance this year despite challenging economic conditions, with revenue of £175.8m and operating profit of £30.6m. In addition, we had net cash generated from operating activities of £41.4m.

- Profitable growth at Thorlux and Lightronics, solid results elsewhere;
- Orders improved again this year with strong performances at Thorlux and Lightronics;
- Operations in Spain, France and Germany all made positive contributions;
- Consistent revenue growth – Compound Annual Growth Rate, including acquisitions, across the last five years of 9.7%, ten years of 10.8% and 15 years of 8.3%.

£41.4m **(2023: £31.9m)**

Net cash generated from operating activities

Read more about our **Financial Review** on pages 48 to 49

Means we are positioned for sustainable, long-term growth.

Providing long-term value for us and for our stakeholders.

A well-positioned portfolio of companies across eight countries, serving many market sectors, means that we have resilience in the current economic climate and a strong direction for the future.

Read more about our **Operational and financial review** on pages 38 to 49

New Via City, TRT Lighting

Demonstrating our company values.

With our focus on excellence, we ensure our Group's culture is consistent with the aim of long-term growth and stability.

Our Values...

Integrity

Striving to make the right decisions for all of our stakeholders and our planet.

Honesty

We honour our commitments and aim to deliver them in a dedicated and respectful manner.

Longevity

We have a long history and we genuinely care about our people, their professional development and work-life balance. Our employees are our most important assets.

Retirement of Peter Mason

After studying electrical engineering at Aberdeen University, in 1976 Peter qualified as a chartered accountant with Price Waterhouse. He spent time with Planet Group and TI Group before joining FW Thorpe Plc in 1987 as Finance Director. Peter became Joint Chief Executive in July 2000; in June 2010 he stepped back to a non-executive role, finally retiring from the Board in January 2024.

Mike Allcock, Chairman, comments: *"As a young engineer at our old factory in Kings Norton, Birmingham, I clearly recall Peter's arrival. Apart from his obvious accounting skills, Peter immediately had an impact improving our systemisation, especially with the introduction of our first mainframe computer system – something very impressive for the era and mind-blowing for incumbent staff.*

Over the years, Peter was usually the last person out of the door in the evening. Before leaving, Peter often used to walk down to my office to deliver a cup of coffee from the vending machine, and in return I would show him the latest Thorlux product development ideas. Peter's positive reception of these ideas and clear enthusiasm spurred me on to continue the next morning. Although he is a skilled finance man, I think his true passion is engineering!

On behalf of the Group and its shareholders, I would like to wish Peter a long and happy retirement. We thank him for his many years of service and dedication, during which time FW Thorpe has grown significantly, with Peter professionally underpinning its foundations to make it the strong and stable Group we are today."

Thorlux apprenticeship awards

Our colleagues...

Our employees are fundamental to our success; they design, develop, manufacture and sell our products, as well as provide the excellent customer service we deliver. In return, we invest in them with development and training, and we have a wellbeing policy. We also have an apprentice scheme, and we train and promote management from within the Group.

Celebrating the 40th work anniversary of Mike Allcock

Mike Allcock began his career with FW Thorpe Plc in 1984 as an apprentice at Thorlux Lighting. In less than 30 years, Mike had risen to become Joint Group CEO, and, a few years later, Chairman. This career progression is testament both to Mike's exceptional talent and dedication and to how it was recognised and rewarded within the Group.

During his time as an apprentice in the Thorlux technical department, Mike first demonstrated his outstanding technical acumen, creative thinking and work ethic. These early contributions paved the way for a series of rapid promotions:

- In 1998, Mike was appointed Technical Director of Thorlux. His flair for innovation led to the development of the first Smart controls within the business, which have since evolved into the cutting-edge SmartScan system, now a market-leading intelligent lighting solution.
- By 2001, Mike's vision and technical expertise earned him the role of Group Technical Director.
- In 2003, Mike ascended to the position of Managing Director of Thorlux. His ability to introduce novel products has been a cornerstone of Thorlux's enduring success and industry leadership.
- In 2010, Mike was appointed Joint Group CEO, further expanding his influence and leadership across FW Thorpe.
- Finally, in 2017, Mike was appointed Chairman of FW Thorpe Plc. Under his stewardship, the Company continues to thrive, maintaining its reputation for technological excellence and market leadership in the lighting industry.

Mike's strategic direction and commitment to innovation have played a crucial role in FW Thorpe's growth and success. Importantly, Mike has also mentored numerous individuals, encouraging the next generation to follow in his footsteps. Mike's dedication to nurturing talent and fostering a culture of innovation has left a profound impact within the Group and its employees.

What we do.

The complete service offering we provide…

Design & development

We allocate resources and human capital to the continuous development of lighting products, ensuring we meet evolving market demands and requirements.

£2.0m
Capitalised R&D
(2023: £1.9m)

Manufacturing

We operate multiple manufacturing sites across the UK, and our factories in the Netherlands and Spain enable us to meet European demand. We continue to invest in our manufacturing facilities.

£1.0m
Continued investment at Group facilities
(2023: £0.8m)

Services

Our services range from surveying, lighting design through to commissioning and after-sales service. We support our customers throughout the products' lifecycle.

£6.1m
Revenue from services
(2023: £8.6m)

Our strategic pillars…

- Focus on high-quality products and good leadership in technology
- Focus on manufacturing excellence
- Continue to grow the customer base for Group companies
- Continue to develop high-quality people

Our global footprint.

01 United Kingdom
Thorlux Lighting
Philip Payne
Solite Europe
Portland Lighting
TRT Lighting
Ratio EV

02 Ireland
Thorlux Lighting

03 United Arab Emirates
Thorlux Lighting

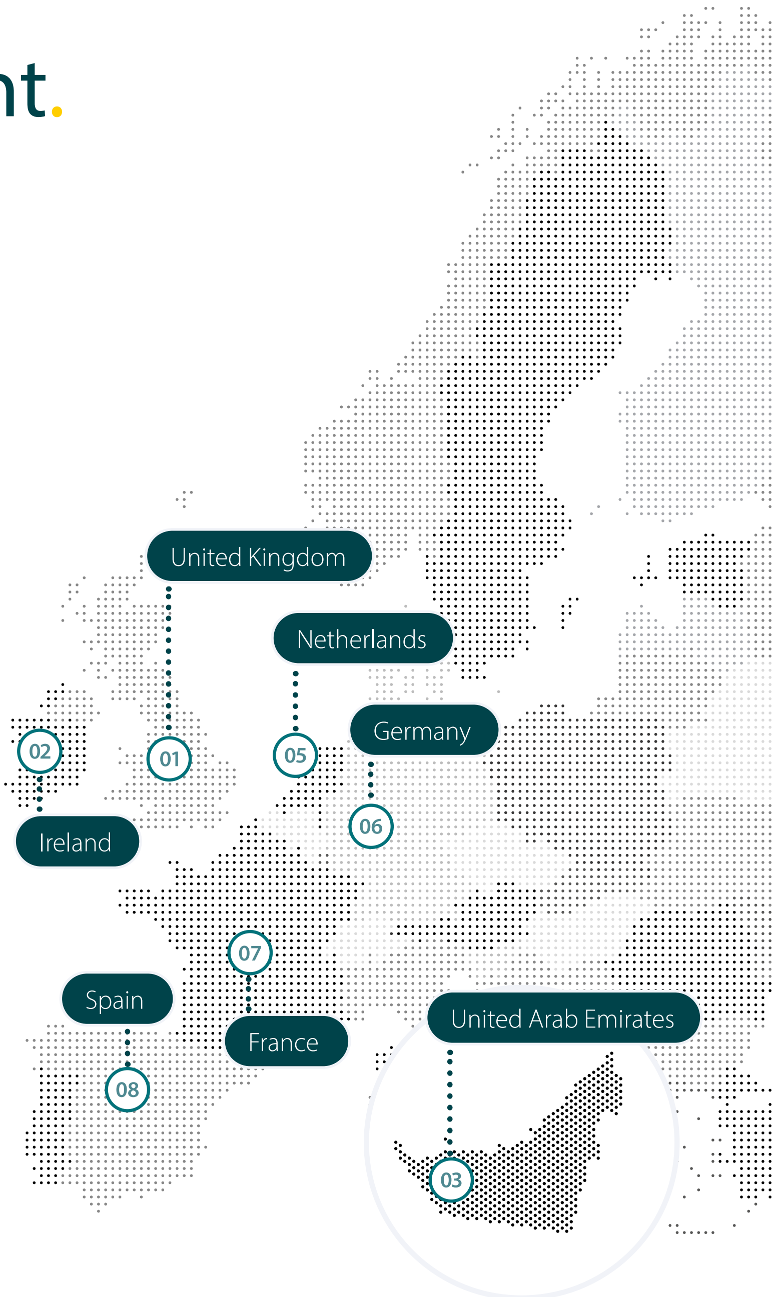
04 Australia
Thorlux Lighting
Australasia

05 Netherlands
Lightronics,
Famostar,
Ratio Electric

06 Germany
Thorlux Lighting,
SchahlLED

07 France
Zemper

08 Spain
Zemper



2024 Revenue by region

UK	£90.3m
Netherlands	£36.2m
Rest of Europe	£45.2m
Other countries	£4.1m

2023 Revenue by region

UK	£89.9m
Netherlands	£31.9m
Rest of Europe	£51.5m
Other countries	£3.4m

Our timeline.

1936

Established by Frederick William Thorpe and his son Ernest Thorpe. Spinning circular reflectors

1940-1960

Moved to larger premises twice to cope with the expansion into linear fluorescent luminaires, and to enter the exterior and hazardous markets

1965

Floated on the London Stock Exchange

2015

Acquisition of Lightronics – Netherlands

Develop European market
Sugg Lighting disposal

2016

Minority investment in Spain

Target Spanish market and acquire lens specialism

2017

Acquired remaining share capital in Thorlux Australasia

Target Australian market, improve performance

2018

Acquired Famostar – Netherlands
Improved emergency lighting product offering

2019

Compact Lighting business successfully merged with Thorlux Lighting
Portsmouth facility sold

2020

All operating businesses housed in Group-owned property

Maintained operations during COVID-19 pandemic

2021

Lightronics recovers from factory fire with improved results

Sustainability focus

1989

Moved to our Redditch headquarters

1990-1996

First acquisition – Mackwell Electronics

Start-up in retail and display lighting

Acquired Philip Payne emergency exit signs

2005

Transferred to AIM

2009-2011

Acquired Solite Europe – lighting for clean rooms

Acquired Portland Lighting – LED sign lighting

Mackwell Electronics disposal

2013

Start-up company TRT Lighting entered the street lighting market

2014

Creation of an in-house LED printed circuit board production line

2022

Acquired Electrozemper – Spain

Joint venture investment with Ratio Electric – electric vehicle charging products

2023

Acquired SchahlLED – Germany

Global revenues exceed £176m

2024

Further investment in sustainability

Net-zero targets validated by SBTi

Our businesses.

Description

Thorlux luminaires have been manufactured continuously since 1936, the year Frederick William Thorpe founded the Company.

The Company now operates from the Group's modern 16,882m^2 self-contained factory in Redditch, Worcestershire, central England.

Thorlux is well known throughout the world and provides a comprehensive range of professional lighting and control systems for a wide variety of applications.

Key products

- Recessed, surface and suspended luminaires
- Emergency lighting systems
- Hazardous area lighting
- High and low bay luminaires
- Lighting controls
- Exterior lighting

Market sectors

- Commercial
- Industrial
- Education
- Healthcare
- Manufacturing
- Retail, display and hospitality

Description

SchahlLED Lighting is a turnkey provider of intelligent LED solutions for the industrial and logistics sectors with more than 50 years of lighting and 20 years of LED experience.

The company is based in Unterschleißheim near Munich and has sales representatives across Germany. As both a manufacturer and full-service provider, SchahlLED plans lighting concepts and supplies intelligent LED lighting systems.

Key products

- Recessed, surface and suspended luminaires
- Hazardous area lighting
- High and low bay luminaires
- Lighting controls
- Exterior lighting

Market sectors

- Industrial
- Logistics
- Manufacturing

Description

Based in Waalwijk, Netherlands, Lightronics specialises in the development, manufacture and supply of external and impact resistant lighting, which includes street lighting, outdoor wall and ceiling luminaires as well as control systems. The majority of its revenue is derived from the Netherlands, but there is also an export presence in other European locations.

Lightronics was originally established in 1946 and has a strong tradition of solid, reliable products as well as being known for its innovation.

Products are environmentally friendly in terms of energy use as well as in the prevention of light pollution.

Key products

- Road lighting
- Amenity lighting
- Outdoor wall and ceiling luminaires
- Lighting controls

Market sectors

- Infrastructure
- Facilities - car parking
- Housing

Description

Based in Velp, Netherlands, Famostar specialises in the development, manufacture and supply of emergency lighting products. Revenue is derived from the Netherlands, where it is considered one of the foremost brands in the market.

Famostar was originally established in 1947, with each product being designed and manufactured at its own production facility.

Famostar has a reputation for designing and manufacturing reliable luminaires offering solutions for sectors including commercial, industrial, education and retail applications.

Emergency lighting knowledge and expertise is key to the success of the business. Famostar offers both the correct technical solution and unique proposals to complement the needs of the customer.

Key products

- Emergency exit signage
- Emergency lighting systems

Market sectors

- Commercial
- Industrial
- Education
- Retail, display and hospitality

Our businesses. continued

ZEMPER

Description

Zemper was established in 1967 and is a leading independent producer of emergency lighting. It uses highly automated manufacturing processes and, through high levels of research and development and extensive in-house and third-party testing, supplies market-leading products, including wired and wireless self-testing systems.

Based in Ciudad Real, Spain, and with an additional sales and distribution facility in France, Zemper derives revenue from Spain, France and Belgium as well as other overseas territories.

Key products

- Emergency general illumination
- Emergency exit signage
- Emergency lighting systems

Market sectors

- Commercial
- Industrial
- Education
- Healthcare
- Infrastructure
- Retail, display and hospitality

TRTLIGHTING

Description

TRT (Thorlux Road and Tunnel) Lighting is an independent specialist company which has evolved from Thorlux Lighting.

Building on years of lighting experience, TRT is dedicated to the design, manufacture and supply of LED road and tunnel luminaires.

TRT produces high-quality, efficient, stylish, high-performance LED products, which are manufactured in the UK.

Key products

- Road and tunnel lighting
- Amenity lighting

Market sectors

- Infrastructure
- Facilities - car parking

SOLITE

Description

Solite Europe is a leading manufacturer and supplier of cleanroom lighting equipment and luminaires within the UK and Europe.

Solite provides luminaires for laboratories, pharmaceutical and semi-conductor manufacturing areas, hospitals, kitchens and food preparation applications.

Key products

- Cleanroom luminaires

Market sectors

- Pharmaceutical
- Healthcare
- Education
- Research & development

PORTLAND LIGHTING

Description

Portland Lighting designs, manufactures and supplies innovative lighting products to the advertising, brewery, retail and sign lighting industries.

The Company operates from a modern 1,394m^2 facility in Walsall, which was purposely designed to enable the fast turnaround of customer orders.

Established in 1994, the product range has continually evolved to ensure that Portland remains one of the leading companies in its sector.

Key products

- Lighting for signs
- Road safety lighting

Market sectors

- Retail
- Hospitality
- Advertising
- Infrastructure

PHILIP PAYNE

Description

Philip Payne recognises that most trade emergency exit signage products are designed with functional requirements in mind.

Philip Payne offers a backbone range of quality standard products but, more importantly, encourages direct dialogue with architects and designers to ensure, via product variation or bespoke work, aesthetic aspirations and requirements are fully met.

Key products

- Emergency exit signage
- Emergency lighting systems

Market sectors

- Commercial
- Hospitality
- Healthcare

Peckham Library, London, UK

Thorlux SmartScan luminaires have been installed throughout the library, enabling building managers to monitor the lighting energy usage and performance.

Strategic Report.

Chairman's statement.

"Larger companies within the Group have, unsurprisingly, made the biggest contributions to consolidated profit. The Group Board would like to see better contributions from all its smaller UK companies."

Mike Allcock
Chairman

The financial year 2023/24 was largely uneventful but nevertheless satisfying; although revenue was flat, operating profit increased by 10.1% to £30.6m (2023: £27.8m) as a result of improved internal efficiencies.

Cash reserves, including short-term financial assets, have continued to build and reached £52.9m (2023: £35.0m) at the end of the financial year. Whilst there are no firm plans, the cash reserves give the Board the opportunity to consider further acquisitions if a suitable situation arises.

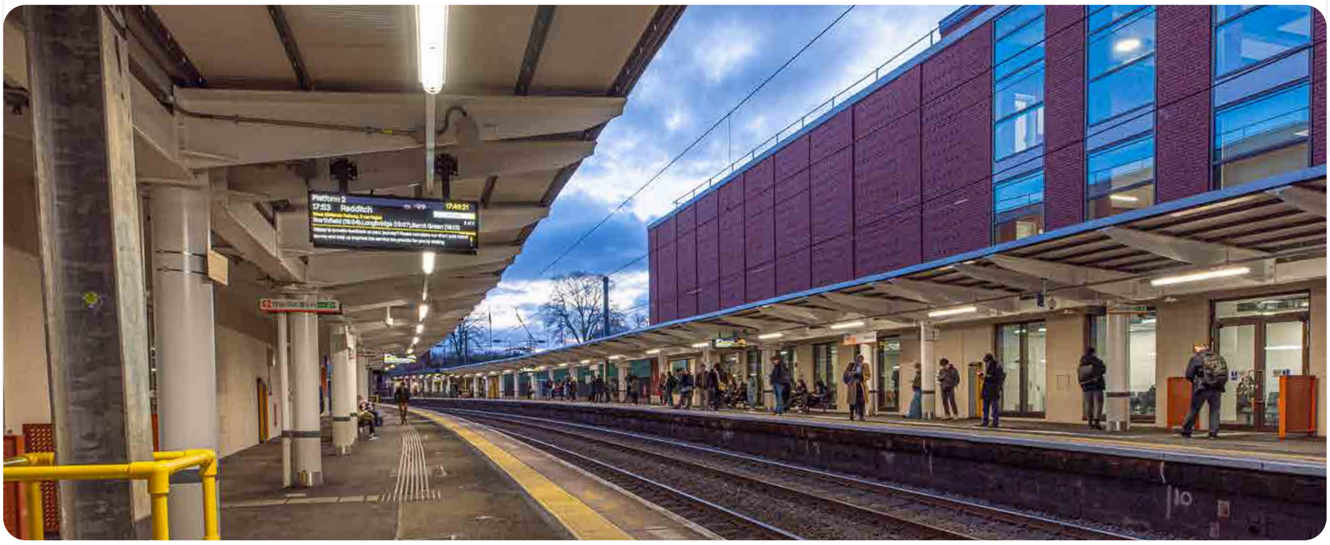
Stock has been actively reduced to £29.0m (2023: £33.4m); however, the Board considers that the Group should use its robust cash position to its advantage and maintain good levels of strategically important stocks, to ensure security of supply, whilst being mindful of the associated obsolescence risks of such a policy.

Generally, market selling price increases for luminaires have slowed, but so too have component costs, which have begun to trend lower in many cases. Labour cost increases continue, mainly through pay inflation, but the Board expects this to slow during the coming financial year.

Larger companies within the Group have, unsurprisingly, made the biggest contributions to consolidated profit in the last 12 months, with special mention to the excellent performance of the Dutch contingent. The Board would like to see better contributions from all its smaller UK companies – especially, but not only, TRT Lighting. All these smaller companies have undergone changes to their subsidiary board structures in recent times, and improvements to, or diversification of, their product ranges where required. The Board looks forward to these changes enabling bigger contributions to Group profits from these businesses in the future.

The Board's head count has naturally decreased in recent years in favour of strengthening the subsidiary boards at the operating companies and promoting a focused group of managers from within that can support Group activities when called on. It has always been a specific choice of past Group boards to keep the Board populated with 'lighting' individuals with experience of the way that FW Thorpe Plc operates in its chosen market sector. Whilst the Group does not expect to change this strategy materially, in October 2022 the Board was strengthened with one independent non-executive director, Frans Haafkens, who also has

University Station, Birmingham, UK



international experience, and this year it will formalise an audit committee. Independent external advice, when required, will be sought on a case-by-case basis.

This is my first statement since becoming non-executive chairman in July 2024 and the separating of the CEO and chair roles. Congratulations and best wishes to Craig Muncaster, who now assumes the role of Group CEO. I would like to thank the shareholders for their ongoing support, which over my 40 years of being employed by FW Thorpe Plc has seen me rise from young school leaver apprentice to chairman. My career must surely give all FW Thorpe employees motivation to stay with the business, work hard and be confident that opportunities, if desired, will be forthcoming – right up to the Group Board.

Group results

Group revenue was in line with last year, at £175.8m (2023: £176.7m), whilst operating profit before acquisition adjustments, removing the impact of amortisation of intangible assets established at purchase, grew to £32.4m (2023: £29.8m).

The Annual Report and Accounts contains a more detailed appraisal of each company's individual achievements and challenges. Over the year, the Group's stand-out performer was Lightronics, in the Netherlands, which simply had one of those years when its business activities all seemed to line up perfectly, to enable an excellent, but certainly a hard fought and well-managed result.

Thorlux Lighting's managing director retired at the end of the half year in December 2023. Promotions to joint managing director of Ian Mulhall and James Thorpe were well received. Ian, an engineer, has served Thorlux for nearly 35 years, being a past technical director and operations director. James was Thorlux's sales director and is great grandson of the founder, Frederick William Thorpe. The joint managing directors' first 6 months in charge delivered a good result, with second half growth offsetting a slightly slower first half, to finish the financial year broadly level with the prior year. Orders and sales at Thorlux have started the new financial year well, with further growth expected this coming financial year.

Portland Lighting's profit improved this year, despite its heavy investments in its new traffic sign direction. Portland is on the cusp of further growth, with experienced people in place and a super new product range tailored to all the latest requirements for road traffic sign lighting, which has huge potential to accommodate changes from fluorescent lamps to LEDs, amongst other market needs. Solite Europe and Philip Payne both, to a large extent, have new senior management, and their performance was similar to the prior year's. Both have growth targets in place to become larger contributors to the Group in coming years.

TRT Lighting was loss-making in the year, due to a revenue decline of 15%. A new sales director and a whole new sales team are in place with targets to increase new business into local authority regions, which is currently sporadic. TRT Lighting, as a UK designer and manufacturer of street lighting, should encourage all UK local authorities to buy its excellent locally made sustainable products. To assist, investment in products has continued, with further investment in marketing resources. The TRT board looks forward to the company's improvement in performance, but is also cognisant of the time it will take to bed in new salespeople. Performance may get a little worse before it improves for the long term.

[1] Refer to note 2 on page 130.

Chairman's statement. continued

Zemper continues to make good contributions and started the new financial year with a good order book, supported by its host of new products. It is also contributing to some Group collaboration projects where several companies have pooled know-how and developed new products with shared, and hence reduced, costs.

SchahlLED's main market, Germany, is in recession, and therefore its operating profit has reduced slightly; nevertheless, the business is making a healthy contribution.

Famostar's year has been steady, as always. Behind the scenes, Famostar is working very hard to assure this consistent profitability whilst also making sure it adapts to market needs, to maintain its position as one of the leading few manufacturers and suppliers to the Dutch emergency lighting market. This year, Famostar is developing an exciting new range of luminaires with intelligent position-orientated sensors. Sales of SmartScan capable emergency luminaires continue to grow, and there are also signs of good growth in Famostar's additional activity of selling Thorlux luminaires into the Netherlands.

The Group's joint venture with Ratio Electric has struggled to make good contributions, but it has achieved significant growth in its Smart charger products, and it has established the Ratio UK company design and production facilities and product range. The io7, Ratio's adaptation of the Thorlux Passway lighting bollard to integrate EV charging and lighting, has started to sell in much larger numbers, and even featured on the BBC's One Show and a high profile electrical installers' YouTube channel. New projects and companies always seem to take longer to start and be harder to establish than one first believes.

Product innovations remain foremost in the minds of Group management. In recent times more collaboration has been encouraged between subsidiary design teams, especially with regards to sharing the costs of tooling, ideas around circular design principles, material selection and sustainability, and sharing SmartScan software for use in an ever-wider range of Group products. As always a topic for the chairman's statement, SmartScan continues to evolve with a host of new customer focused features coming before the end of the financial year. SmartScan Analytics, a new platform launched in autumn 2024, takes the SmartScan cloud operating system to the next level, bringing data from all sorts of IOT connected devices into its central 'brain'. SmartScan Analytics brings a deeper understanding of a building's use to end users. For example, 'standard' SmartScan can easily measure and report whether a lighting installation is using more power this year than it did last year; SmartScan Analytics tells you why. For example, this year it could be further reported that much longer operating hours were recorded for the business, people counters had detected more footfall, less solar power was generated, and electricity prices per kWh had increased. This 'cross analytics' technology has been trialled with a few customers for the last 2 years, and will now be in general release for an additional charge.

On the capex front, the Group decided to continue its investments in carbon offsetting, by purchasing a further 150 acres of suitable tree planting land near the Welsh border in Longtown, Hereford, UK, for £1.7m. Applications have already been made to the appropriate forestry authorities for the first saplings to be planted next spring. There has been some negative press surrounding offsetting in recent times, but the Board is convinced that over the long term the company is doing the right thing, as it recognises that its tree planting activities are supplementary to its intensive carbon reduction measures, which of course save carbon right now. For example, it has always been the Board's intention to investigate all means to reduce its actual emissions to the lowest level possible, right back to when the current sustainability programme started in 2009. At that time, the Group reduced energy use across its factories as far as practicable, before only then choosing offsetting as a supplementary option.

Up to the current day, carbon saving activities continue with the recent installation of another solar PV array at the Ratio EV factory in the UK, installation of the Group's trial electric heating oven for powder coating at Solite (£0.3m), and further significant purchases of company electric vehicles (£1.5m). The Group now owns and operates 5,970 solar panels across eight sites, generating 1.8 million kWh of carbon free electricity per annum. In November 2023, Thorlux installed a new cardboard carton manufacturing machine (£0.2m) and can now produce its own product packaging cartons from recycled and recyclable cardboard on demand. The machine substantially reduces overall storage space, fire risk and material costs.

Sustainability

Sustainability is one of the key pillars for the Group. The Board firmly believes that a business that takes a sustainable approach to the design and manufacturing of its products is highly likely to be more successful as a result. If you use less material in a product and use less power in manufacturing products, costs will be lower.

The Group will continue to find ways to make itself more sustainable, having now completed many of the more obvious initiatives. All Group companies are experiencing increasing sustainability demands from the market. Articles in the Annual Report describe current developments, such as

Colmslie Boat Ramp, Queensland, Australia

some new lights largely manufactured from wood harvested from sustainable forests in Europe. These components are 3D CNC machined and, as a result, need little or no tooling, can be made in low volume without the need to carry large stocks, and can be altered in their shape and design with little overhead cost, save for a new CNC program.

In summer 2024, the whole Group completed its assessment for the Science Based Targets initiative (SBTi), to become one of only a relatively few companies globally that have completed the very detailed and lengthy third party assessed and verified process. The Group now has a plan to head towards net-zero – a plan that is assessed, verified and realistic, with a first target to achieve significant milestones by 2030. All companies within the Group have targets to reduce their carbon emissions even further, by significant margins from a baseline in financial year 2020/21. Progress is assessed at every board meeting, all employees are trained in sustainability matters, they receive regular newsletters, and there are awards for contributions from employees. The Group is taking its sustainability obligations seriously and, as you can see from the commentary above, is not resting on its laurels and is investing heavily in continuous improvements.

Personnel

I would like to thank all Group employees for their dedication and commitment throughout the financial year.

In January 2024, Peter Mason retired from his non-executive role on the Board. Peter joined FW Thorpe Plc in 1987 as Finance Director. He became Joint Chief Executive in July 2000 and stepped back to a non-executive role in June 2010. On behalf of the Group and its shareholders, I would like to wish Peter a long and happy retirement and thank him for his many years of service, during which time the Group grew significantly, whilst also underpinning the Group's foundations to make it the strong and stable group it is today.

Dividend

Performance as a whole for the year to 30 June 2024 allows the Board to recommend an increased final dividend of 5.08p per share (2023:4.84p), which gives a total for the year of 6.78p (2023: 6.46p excluding special dividend). A special dividend of 2.50p will also be paid, reflecting the Group's strong cash position.

Outlook

All Group companies are charged with growth; as ever, this is their target. With so many companies in the Group, there will be inevitable ups and downs in various locations. All the larger companies are in good shape with stable and experienced leadership teams with good order books at the start of the new financial year. Costs are generally under control, although people cost pressures remain and the companies need to keep working hard to find efficiency improvements.

The smaller companies have all struggled somewhat to get themselves back on a plan for growth in recent years. Changes have been made and each company has a plan to grow.

The change in governments in various Group locations raises a few questions about the future, but the Group setup gives good resilience overall.

Consolidated as a whole, the outlook is positive with modest growth expectations.

Michael Allcock

Mike Allcock
Chairman

3 October 2024

Marketplace.

The Group services a diverse range of clients across a variety of different sectors. These sectors are targeted by our sales teams, sector specialists and product experts as well as dedicated company specialisms in areas such as lighting controls, emergency and outdoor lighting. The product portfolio across the Group gives us the ability to deliver a complete project, from boiler room to board room and beyond.

Market Overview

There was some level of normality this year following a number of years of disruption that impacted supply chains and influenced order books. Material costs stabilised in the main, however, there has been disruption to shipping routes that increased costs and introduced lead time delays. While the Group managed to reduce stock holding during the year, the Group continues to hold safety stock where required.

The Group has diverse coverage from both a territory and sector perspective. The UK market continued to secure orders from target sectors, the increase in revenue in the Netherlands was driven by the Lightronics portfolio, the rest of Europe was subdued with investment delayed in Germany given economic conditions. Australia took a step forwards supported by Thorlux and Lightronics, improving the revenue from our Other Countries segment.

Product development remains a key pillar to success, differentiating the Group from its competitors with innovative products and systems. This year included the introduction of wood as a sustainable material to form our products. SmartScan continues to evolve, adding further features and benefits to keep us ahead of our competitors.

Competition is in a variety of forms, from private businesses to listed multinationals and from the information available, financial performance has been muted given that the last few years were supported by sales price increases.

The Group continues to invest in business development and selling resources, supporting the peaks and troughs of demand across various sectors. The Group continually assesses how to deploy its selling capabilities and routes to market in order to target specific sectors and territories.

The product and technology portfolio continues to evolve, enabling us to compete across different sectors and geographies. We continue to focus on certain sectors and territories where we have a specific selling presence.

UK +0.5%

- Continued to secure orders from target sectors
- Services revenue lower but improved gross contribution
- Tunnel projects delivered by TRT, street lighting lower

Netherlands +13.6%

- Growth at Lightronics, steady Famostar business
- Margin improvement at Lightronics drove operating profit increase, similar operating result at Famostar

Rest of Europe -12.3%

- Revenue in line with expectations, lower levels in France via Zemper
- Germany lower, investment delayed by SchahlLED industrial customers

Other countries +19.3%

- Improved demand in Australia
- Dampened demand in UAE

Market-specific drivers . . .

01 Increase in demand for technology

What this means

- Evolution of controls technology – wireless
- Connectivity with the internet and other devices – the Internet of Things
- Ability to offer customers additional functionality by adding different sensor technology and presenting data
- The Group's shift to LED sales now representing over 90% of total revenue

Opportunities

- Improves ability to hold specification business with our own controls offering
- Potential to supply retrofit projects with wireless controls where wired controls are cost prohibitive
- Offer solutions to provide additional data specific to the market sector

How we are responding

- SmartScan continues to evolve since launching in 2016, the latest generation successfully launched
- Further development of the SmartScan platform, bringing other non-lighting devices into the web portal
- Occupancy profiling, air quality sensing, and the ability to change colour temperature are all features
- All new product developments are LED based
- Continual review of LED technology offerings to take advantage of the latest advances and ensure we are offering the best solutions to our customers

02 Drive for energy efficiency and carbon reduction

What this means

- Global emissions targets
- High energy costs in Europe

Opportunities

- Increased demand for sustainable, energy efficient lighting solutions
- Demand for retrofit lighting solutions driving energy savings using both LED and wireless controls technology
- Ability to harvest data to satisfy ongoing reporting requirements

How we are responding

- Continue to offer energy saving technology and the ability to report on energy usage with the SmartScan platform
- Financing options with partners to make solutions more affordable to customers to match the savings achieved
- Offering turnkey packages to customers to enable change
- Investment in electric vehicle charging products with Ratio

Macroeconomic drivers . . .

01 International economic conditions

What this means

- Countries are now dealing with the resurgence of tensions and conflict in the Middle East
- Pressure remains on global supply chains particularly with regard to logistics time and costs
- Certain sectors could slow investment given concerns over future economic growth and government debt levels

Opportunities

- Higher energy costs are resulting in shorter payback periods for energy saving lighting projects
- Renewed focus on carbon saving investments with support from governments
- Potential to win market share or acquire competitors who struggle in these economic conditions

How we are responding

- Ensure our businesses are not reliant on any one sector in particular
- Continue to develop innovative product solutions in all our businesses
- Target sectors where demand is stable or increasing
- Redirect selling resource as appropriate

02 Globalisation

What this means

- Responding to the demands of our traditional customers who are developing a global footprint
- Harmonisation of technology from the adoption of LED brings the threat of increased competition

Opportunities

- Chance to establish ourselves in new territories with established customers in the countries we currently supply into
- Sourcing opportunities – chance to review what is sourced from where. Considering not only price, quality, carbon footprint but the security of supply
- Potential for customers to reconsider sourcing strategies and buy "local"

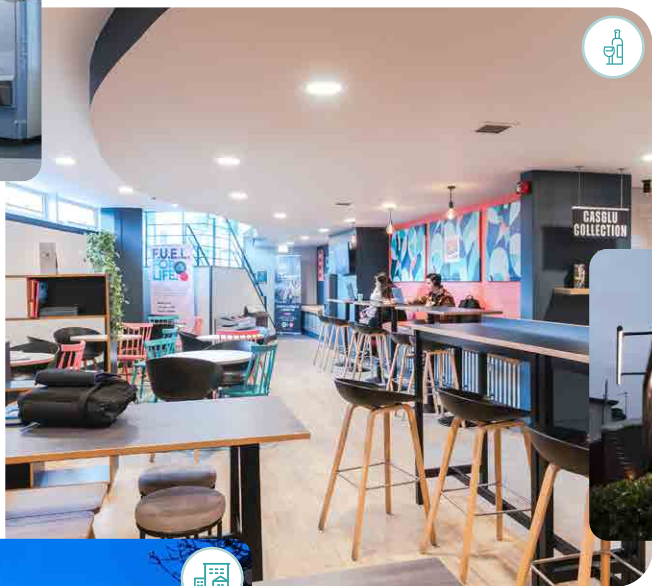
How we are responding

- Working with global customers
- Continual development of the supply chain
- Potential to establish new offices in chosen locations to support both customer and supply chain development in the future
- Continual review of LED technology offerings to take advantage of the latest advances and ensure we are offering the best solutions to our customers

Marketplace. continued

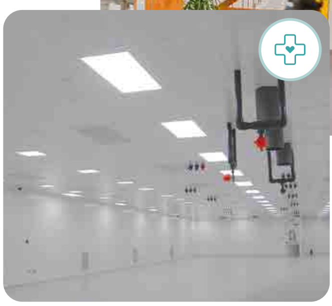
38%
of sales from safety products (emergency lighting systems)
2023: 36%

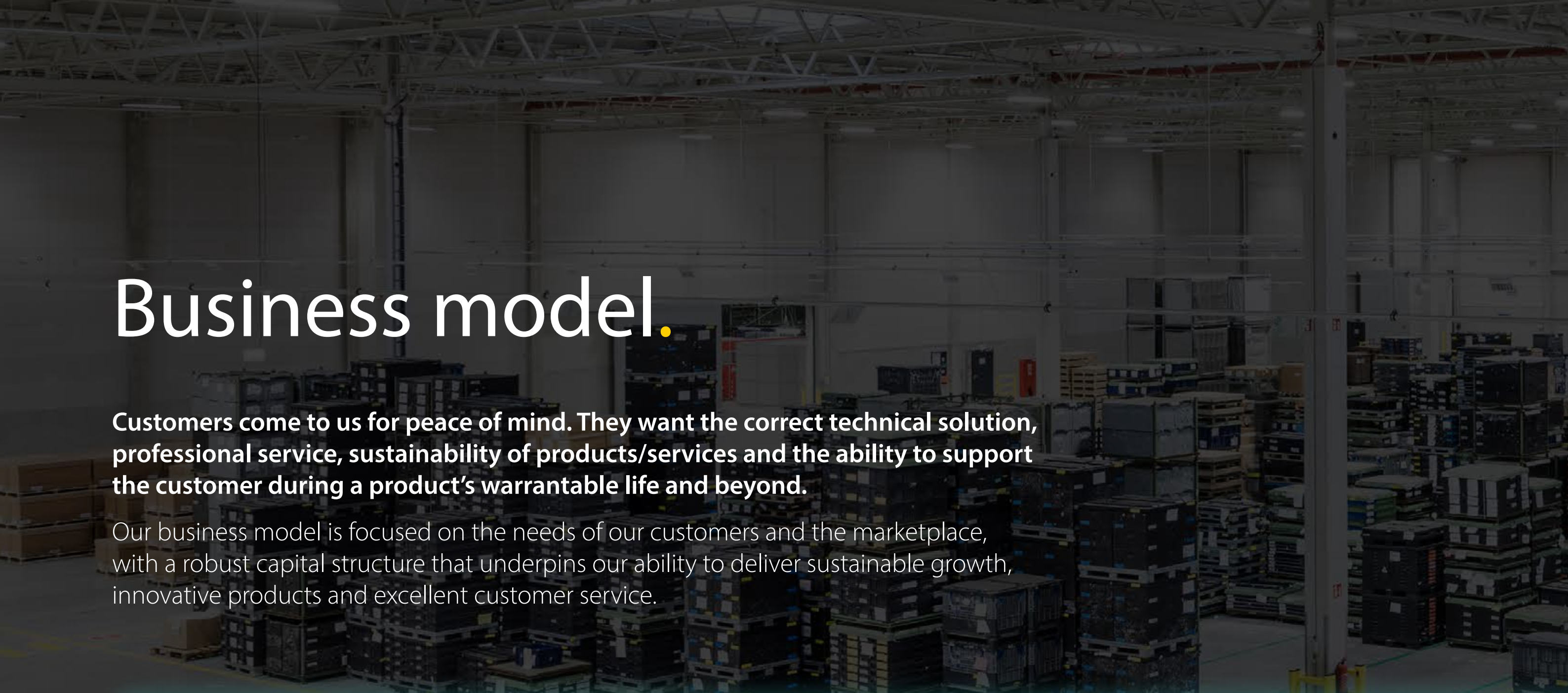
97%
of sales from LED technology, energy saving controls and related services
2023: 96%



Market sectors

Pharmaceutical	Research & development	Industrial
Hospitality	Commercial	Infrastructure
Display	Facilities	Healthcare
Housing	Retail	Manufacturing
Advertising	Education	





Business model.

Customers come to us for peace of mind. They want the correct technical solution, professional service, sustainability of products/services and the ability to support the customer during a product's warrantable life and beyond.

Our business model is focused on the needs of our customers and the marketplace, with a robust capital structure that underpins our ability to deliver sustainable growth, innovative products and excellent customer service.

The key resources we utilise...

Design & innovation
Continuous product development – products, software/controls, lighting design

Talented people
Continual development

Manufacturing facilities
UK – multiple sites,
Europe – Netherlands, Spain
Continual investment

Financial & environmental sustainability
Financial stability,
Carbon Offset Scheme

The service offering we provide...

Design & development
Designing and developing products in line with customer specifications, market demands and sustainability requirements.

£2.0m
Group spend on capitalised R&D
(2023: £1.9m)

Manufacturing
Investment included solar, injection moulding, paint plant facility with reduced carbon emissions.

£1.0m
Investment in Group facilities
(2023: £0.8m)

Services
Our services range from site surveys, installation, commissioning through to monitoring the performance of products. We support our customers throughout the product's lifecycle.

£6.1m
Revenue from Services
(2023: £8.6m)

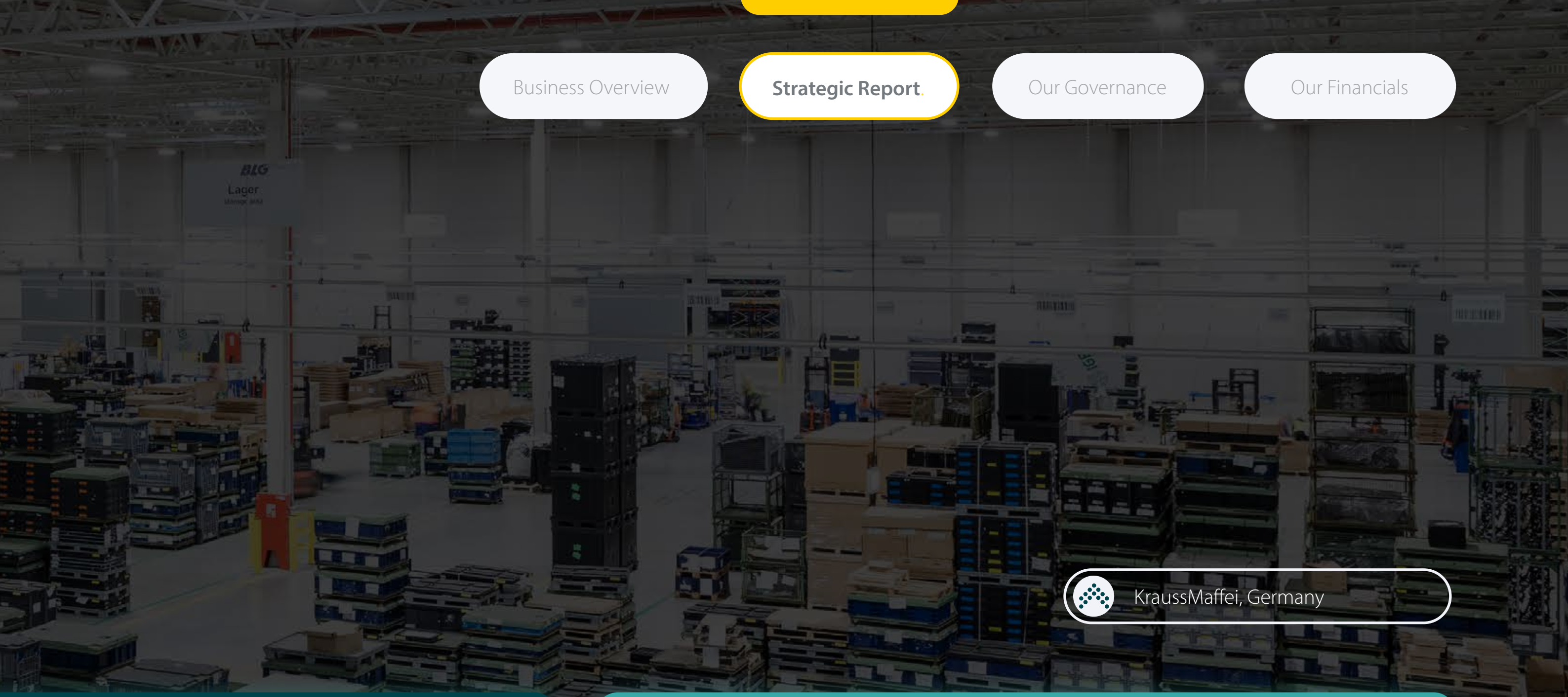
Group Operations...

Specification
renovations, new build, energy saving, compliance, technology adoption.

Diversified product portfolio
gives the ability to supply a complete project – "boiler room to board room".

Cross-selling opportunities
with other Group companies to offer a complete solution to a wide variety of sectors.

Sustainability leadership
Group-wide initiatives and support in achieving sustainability targets.



KraussMaffei, Germany

Solutions provided for our customers...

We supply lighting systems including the controls, and install them for our customers.

We then maintain the lighting system for its lifecycle and provide support.

Solutions provided

- Energy efficiency
- Low maintenance
- Rapid installation
- Longevity of product
- Low total cost of ownership

The value generated...

Customers

Short term

Replacement of ageing technology with improved lighting systems

Long term

Innovative lighting that delivers cost savings and additional benefits, such as data capture and presentation

Shareholders

Short term

Opportunity to invest in a company that pays a progressive dividend and with a robust balance sheet

Long term

Sustainable profit growth drives future shareholder returns

Employees

Short term

Opportunity to work with an innovative market leading company within the lighting industry

Long term

Continual development with a variety of Group companies in a number of different territories

Environment

Short term

Build on the work of many years, delivering energy saving products and continuing our carbon offset programme

Long term

Develop and implement our sustainability strategy as we drive towards net-zero

Communities

Short term

Employment opportunities and supporting local charities

Long term

Providing sustainable employment in the local areas where our businesses are located

Our strategy.

Our products are sold throughout the world. The Group management team is passionate about developing the business for the benefit of the shareholders, employees and customers. With the energy and ability of our staff we look forward to the future with enthusiasm. Our aim is to create shareholder value through market leadership in the design, manufacture and supply of professional lighting systems.

Our focus is for long-term growth and stability, achieved through the following priorities:

Overview of strategy

- Strategy was designed to build on the values that have been at the core of the company since its inception. FW Thorpe has been built on product innovation – design and product development is fundamental.
- The Group is product led. This enables us to maintain competitive advantage with marketing-leading products, utilising technology to retain and attract new customers.
- Sustainable growth is key to our stakeholders – targeting new customers in existing or new territories, using our product portfolio to drive into new sectors.
- Control of the manufacturing processes is of utmost importance – key processes are kept in-house with targeted investment in new machinery as required.
- Family principles and how we treat our people is fundamental to our success. The Group prides itself on the development of people from within the organisation, providing training and experience as well as maintaining our core values.

1 Focus on high quality products and good leadership in technology

Customers continually require new and innovative ways in which to reduce the operating costs of their lighting installations. There is also the requirement to reduce their environmental impacts.

Progress to date

- Continued enhancement of features for the SmartScan wireless system
- Shared product development between certain companies within the Group
- Electric vehicle charging and road safety products now being sold in the UK

Future opportunities

- Further development of SmartScan
- Continuous research and development
- Targeted acquisition

Associated risks F

- Product acceptance
- Initial product introduction

Strategy in action

See more on pages 28 to 33

2 Continue to grow the customer base for Group companies

With the continued investment in the product portfolio and the broad range of sectors we can service, the focus will be on expanding our customer base in new markets and territories.

Progress to date

- Targeted approach in the Netherlands and France with Thorlux industrial product and controls portfolio
- Introduce Famostar product portfolio to territories where the Group has a presence
- Introduce Zemper product portfolio to territories where the Group has a presence

Future opportunities

- Consider further sales offices overseas
- Potential business development investment
- Investment in sales personnel in the UK and Europe
- Targeted acquisition

Associated risks A C E F

- Short-term cost increase without immediate return
- Prolonged time required to establish FW Thorpe brands

Strategy in action

See more on pages 34 to 36

Risk key

- (A) Adverse economic conditions
- (B) Business Continuity
- (C) Price changes
- (D) Changes in government legislation or policy
- (E) Impact of conflict on domestic and global economies
- (F) Competitive environment
- (G) Sustainability and climate related risk
- (H) Cyber security
- (I) Exit from the European Union
- (J) Credit risk
- (K) Movements in currency exchange

3 Focus on manufacturing excellence

Along with continued product development, the need to innovate the production process is essential.

Progress to date

- Further solar investment at Famostar and Ratio UK
- New paint plant at Solite targeted to reduce gas consumption and carbon emissions

Future opportunities

- Continued development of manufacturing facilities and processes for Ratio EV products in the UK at the Target Park facility
- Paint plant upgrades across the UK
- Continual investment in facilities and processes across the Group

Associated risks B F

- Reduced productivity while changes are implemented
- Learning curve on introduction of new products and processes

Sustainability

See more on pages 58 to 59

4 Continue to develop high quality people

As one of our main sources of competitive advantage, it is imperative we continually develop and retain talent within the business.

Progress to date

- Apprentice scheme continues
- Investment in management training
- Training and development

Future opportunities

- Continued investment in training and personnel development
- Inter-company collaboration teams to develop a broader understanding of the whole business

Associated risks F I

- Ability to retain staff in competitive local job markets
- Potential loss of UK personnel from the EU
- Ability to sponsor non-UK staff and associated increased costs

Sustainability

See more on page 76

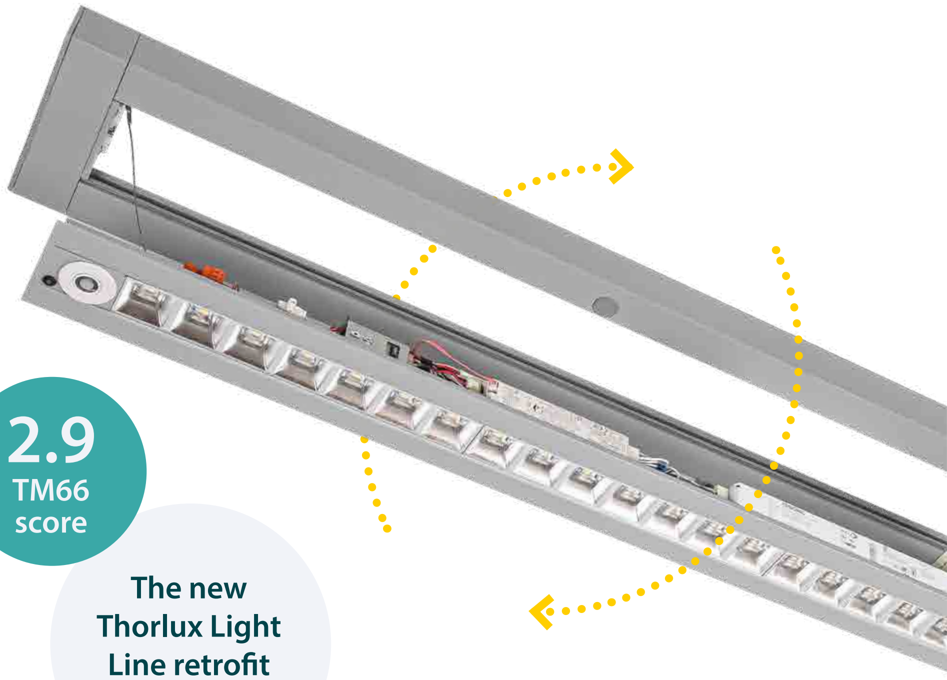
STRATEGY IN ACTION

Circularity in lighting.

As we gradually reach the point of depletion of the earth's finite resources, the linear method of taking materials, making products, and then throwing them away at the end of life needs to be re-thought. This is where the concept of the circular economy is becoming increasingly important.

What is the circular economy?

The key principles of the circular economy are to eliminate waste and pollution, circulate products and materials, and regenerate nature. Products and materials are kept in circulation for as long as possible through maintenance, reuse, refurbishment and remanufacture, then, once the end of life is reached, recycling and/or composting takes place, ensuring nothing is lost. The circular economy looks to move away from the 'take–make–waste' pattern, into a more sustainable and regenerative one.



2.9
TM66 score

The new Thorlux Light Line retrofit solution

Why is circularity important?

FW Thorpe Group companies have always considered the impact of their products on the environment. Key circular principles such as product efficiency, longevity and maintainability have always been pillars of the design process, long before the topic of circularity became mainstream. Combining highly efficient luminaires with a lighting management system such as SmartScan ensures lighting uses the minimum energy possible (therefore producing less pollution).

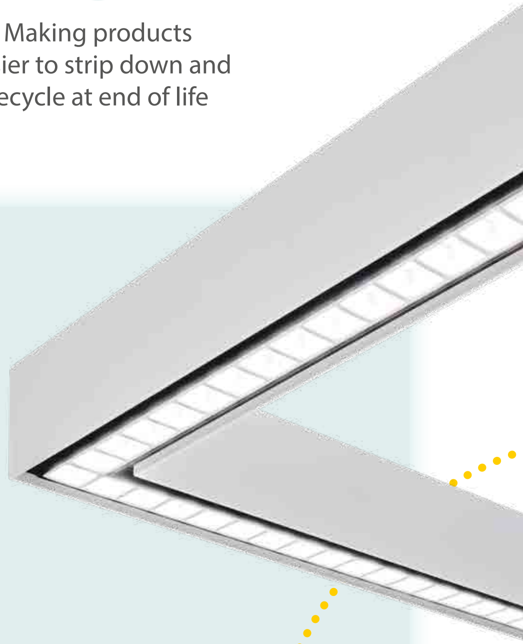
Group companies ensure luminaires last as long as possible by using high quality parts, materials and manufacturing techniques. In most cases, luminaires are designed to last an impressive 100,000 hours.

In addition, the vast majority of Group products can be serviced easily in situ, keeping them operating and in use for longer.

Looking forwards, the Group believes that engaging in the circular economy is not only the right thing to do from an environmental point of view, but also from a business perspective. Embracing the circular economy stimulates innovation and the development of new products and services, and offers inspiring new business opportunities such as remanufacture, retrofit and renovation projects.

Circularity is now further embedded in the Group Product Design Rules, so that the following practices are incorporated into each new design:

- Using less material in the design
- Choosing more sustainable materials
- Making products last even longer
- Making products easier to repair
- Optimising material utilisation
- Making products as efficient as possible
- Making products easier to strip down and recycle at end of life



What is TM66?

The Chartered Institution of Building Services Engineers (CIBSE) and the Society of Light and Lighting (SLL) have written TM66, a document that provides guidance on how to assess the circularity of a luminaire, including a checklist and real-world examples of good practice. TM66 is an exacting framework that demands proof of the highest standards from lighting product designers and manufacturers.

Off the back of this, the Lighting Industry Association (LIA) has developed TM66 Assured, a scheme where by luminaires can be independently assessed and scored in accordance with TM66. This means that manufacturers can independently verify their circularity claims, and customers can gain comfort from this third-party approval.

In October 2023, the new SkyCore range from Thorlux was the first Group company range to be independently assessed by the LIA TM66 Assured scheme. The SkyCore range received a score of 2.5, certifying it as being 'excellent' – the highest achievable level of circularity.

As a part of Thorlux's drive to improve the circularity of its products, all new Thorlux luminaires will be scored and independently assessed and verified in accordance with TM66 Assured, with the target of meeting a minimum of 'excellent'.

In April 2024, TRT made history with its new Oaken streetlight. Achieving an impressive score of 3.1, Oaken gained the highest verified score for any luminaire in the TM66 Assured scheme at the time. Oaken is a highly innovative luminaire made from recycled polycarbonate and aluminium, housed in an oak body.

FW Thorpe Plc prides itself on its position as a market leader and always being at the forefront of emerging and pioneering movements, concepts and technologies, continually recognising the changing needs of not only its customers and dynamic industry, but also the planet.

The Thorlux Flexbar has achieved a score of 2.6

STRATEGY IN ACTION

The all new Firefly range.

Group Innovation Project

Developed through collaborative efforts as a Group innovation project, the new Firefly emergency downlight has improved features and benefits, including new enhanced lithium battery technology, providing pivotal emergency lighting with a 10-year warranty.

Firefly with Power Pack and Control Module

One of Thorlux Lighting's most successful products, Firefly has helped thousands of customers achieve emergency lighting compliance, making buildings, campuses and facilities safer, and protecting staff, visitors and the general public.

Group collaboration and joint development

The **Luciérnaga** joint project ('Firefly' in Spanish) is the first collaboration to combine the knowledge, resources and experience from four Group companies: Thorlux Lighting (UK), Philip Payne (UK), Famostar (NL) and Zemper (ES).

This collaboration brings with it a number of advantages:

- Control of supply chain components and reduced reliance on third-party suppliers.
- Internal production of advanced and market-leading electronic components.
- Group development of emergency self-test and wireless communication software (SmartScan).
- Significant Group investment in new body moulds, tooling and optical distribution designs, for improved overall product performance.
- Reduced product material, manufacturing and component expenditures.

Firefly Surface

Firefly IP65

The new Firefly combines a discreet recessed downlight with the SmartScan wireless emergency system for a reliable, compliant solution that is easy to install and maintain.

Reliability, functionality and simplicity

Customers today seek an emergency lighting system that provides a fit-and-forget solution and achieves compliance. Firefly's discreet 50mm recessed head and SmartScan wireless controls are the ideal combination to deliver a reliable and functional answer to this requirement.

The monthly function tests, annual duration tests and daily product status reports provide the responsible person with the necessary information to ensure that people can safely escape a building during a power failure.

With ease of use at the heart of the design, Firefly is simple and quick to install. It offers easy maintenance of consumable parts like batteries. Furthermore, the body has been designed with chamfered edges to make inserting or extracting it from ceilings a smooth process.

Battery technology

A higher efficiency battery with lower operating power creates an all-around more sustainable Firefly. Findings show lithium batteries have four times less embodied carbon per kilogramme than nickel metal hydride batteries. Additionally, a lithium battery charge cycle will switch off when full capacity is achieved, reducing energy consumption.

Precision emergency lighting

Ensuring safe passage from a building during a power failure is crucial and potentially life saving. For this reason, Firefly has been significantly upgraded, with more optical distribution variations to help eliminate or reduce risk to escapees.

In particular, the new advanced corridor plus optic distributes 1 lux of light 24 metres along a corridor while highlighting points of emphasis such as call points and fire extinguishers.

Furthermore, optimisation of the spot optic achieves minimum lighting requirements for healthcare treatment beds, providing 50 lux in emergency lighting conditions. This requirement ensures medical professionals have the correct lighting levels to treat and care for patients under normal power output conditions.

Finally, the corner optic provides a guiding escape light around bends, illuminating the next section of the escape route. Standards dictate that an emergency luminaire must be within two metres of a change of direction; the nine-metre spacing distance provided by this optic means fewer fittings are required.

Setting new standards in sustainable lighting.

The Group product innovation team has designed two groundbreaking products – ARDEN and Oaken – that mark a significant departure from conventional luminaire construction; for the first time, wood has been utilised as a primary material. This pioneering use of wood in luminaire construction underscores FW Thorpe's commitment to innovation and sustainability.

Why wood?

Wood has less embodied carbon ($kgCO_2e$) and requires less embodied energy compared with aluminium castings. Since wood is a renewable resource and requires less-energy-intensive processes to be transformed into a usable material, it contributes less to the overall embodied carbon footprint.

Why specifically European oak?

European oak is an extremely durable hardwood that will achieve in excess of a 20-year life, which ensures its suitability for use in long-service luminaires. European oak is sustainably harvested. Sustainable harvesting practices involve careful consideration of the environmental impact, ensuring that the rate of extraction does not exceed the rate of regeneration. This approach helps maintain the health and biodiversity of forests while providing a continuous supply of wood.

In the future, there is also the possibility of sourcing wood from the Group woodland projects in Monmouthshire and Herefordshire.

ARDEN exit sign

ARDEN from Philip Payne represents the company's most sustainable premium emergency exit sign yet. Manufactured and assembled in the UK using European joinery-grade oak sourced from responsibly managed forests, ARDEN combines aesthetic elegance with outstanding functionality to offer a new standard in sustainable emergency exit signage.

ARDEN boasts an impressively low embodied carbon score, according to CIBSE's TM65 calculation methodology, of 29.87kg CO_2e, up to 30% lower than many non-wooden exit signs. Its extended lifespan, projected to be more than 20 years, ensures a reduced ecological footprint and minimises the need for frequent replacement.

ARDEN's production process is designed to maximise material efficiency, with waste material from Computer Numerical Control (CNC) machining repurposed to heat the timber manufacturing facility. At the end of its lifecycle, the oak body is fully recyclable, further contributing to a circular economy. The water-based finishes used are free from harsh chemicals and solvents, ensuring no complications with recyclability.

When mains supply fails, ARDEN is powered by an advanced lithium iron phosphate ($LiFePO_4$) battery with an expected design life of up to eight years, significantly reducing maintenance requirements and waste compared with traditional battery systems.

TM66 score 3.1

The Oaken

TRT Lighting's Oaken luminaire is a groundbreaking product that redefines outdoor lighting with its eco-friendly design and advanced technology. Through its focus on energy efficiency and the utilisation of sustainable materials, the Oaken showcases a dedication to minimising its carbon footprint across its entire lifecycle.

- European oak housing
- 100% post-industrial recycled polycarbonate gear enclosure
- Highly efficient dual output driver realising up to 92% efficiency
- Gear tray made from >90% recycled aluminium components
- Highly efficient acrylic (PMMA) and polycarbonate (PC) lens options for high optical clarity, durability and recyclability

Circular design

What truly sets the Oaken apart is its dedication to circular design principles. Each component is designed for disassembly and recyclability, facilitating the recycling and repurposing of materials at the end of its life.

The TM66 Assured product verification scheme is an innovative initiative developed and fulfilled by the Lighting Industry Association (LIA) and endorsed by with Chartered Institution of Building Services Engineers (CIBSE). A TM66 score demonstrates a product's performance in the context of a circular economy. Achieving a third-party LIA accredited TM66 score of 3.1, the Oaken leads the industry with the highest score ever recorded for any lighting product under this methodology.

See pages 28 to 29

Impressive performance

The Oaken not only delivers impressive performance but also sets new standards for efficiency (up to 191.7 luminaire lumens per circuit watt), minimising energy consumption while maximising light output.

Intelligent control

By combining programmable presence detection and light sensing with LED luminaires, the Oaken enables enhanced energy and carbon savings whilst extending maintenance cycles. Additionally, the Oaken offers a range of connectivity options, from simple factory-set dimming to full wireless control, ensuring versatility and adaptability to various lighting needs.

West Midlands Trains and Network Rail.

Thorlux has worked closely with West Midlands Trains (WMT) and Network Rail for nearly a decade to modernise the lighting systems at 150 sites, including 145 stations. Additionally, Thorlux has supplied luminaires and control systems for the brand-new £56 million University Station in Birmingham.

A long-standing collaboration

Existing WMT stations frequently relied on out-of-date, inefficient lighting technology. WMT set a goal of improving lighting efficiency across the network, reducing emissions and costs whilst improving light levels to comply with current standards.

WMT appointed Thorlux based on its reputation for innovation and previous rail industry experience. In 2016, WMT became an early adopter of the then-new Thorlux SmartScan lighting management system. Following the 2017 lighting renovation at Redditch Station in Worcestershire, which functioned as a proof of concept for the larger plan, Thorlux began installations across the network.

The project required significant retrofitting and remanufacturing work – many stations have at least one unique retrofit requirement or 'heritage' element. Some of the oldest luminaires requiring modernisation had been in service for 50 years or more.

Above all, railway premises are safety-critical, requiring constant functional lighting. Removing a fitting for off-site inspection or refurbishment is impossible unless a temporary substitute provides identical performance – which is usually impractical. This restriction made on-site retrofitting a central part of the project.

Every upgraded WMT luminaire now uses either standard SmartScan or SmartScan Radar controls. Even with lighting levels increasing by 500% at certain stations to achieve industry standards compliance, WMT has reduced carbon emissions by 65%. With increased efficiency cutting lighting energy costs, plus reduced upkeep (planned, reactive and callout) and other factors, WMT calculates it will save over £1 million per year on its combined total energy and maintenance spend.

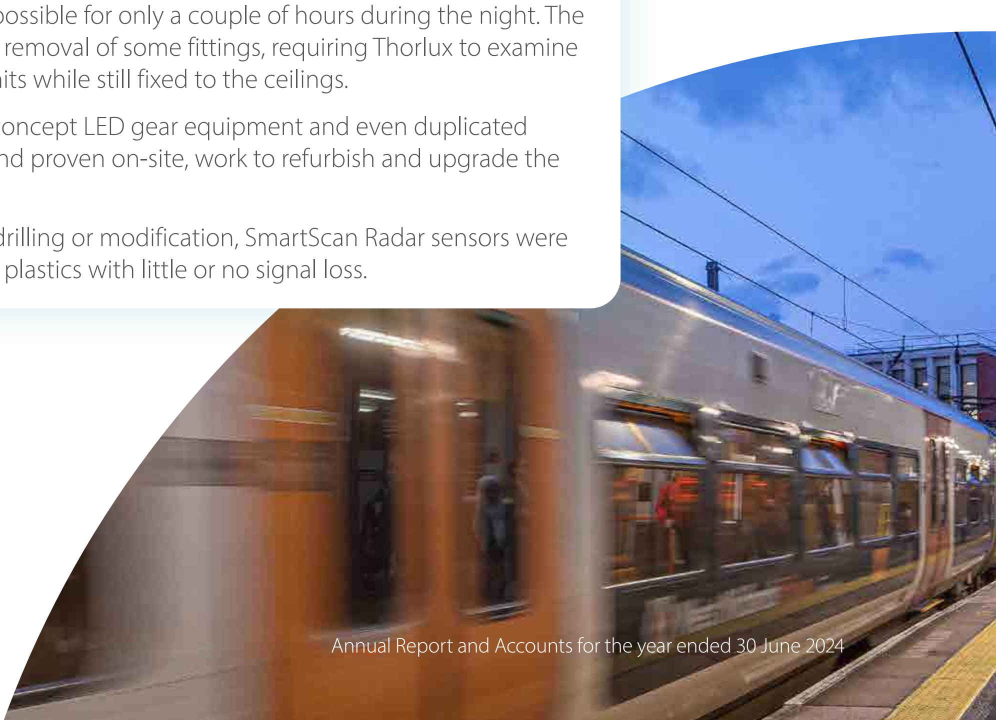
Coventry Station...

Coventry rail station opened in 1962 and was made a Grade II-listed building in 1995. The station canopy is a listed structure, with original luminaires maintained since the 1960s. Conservation authorities stipulated that any retrofitted or replaced luminaires must look and fit as the originals did while complying with modern standards and significantly improving lighting performance.

Access is a notable complication when working in the rail environment. For example, there is limited scope to close a line to conduct work safely on a luminaire mounted above a platform or near the railway track. At Coventry, this is possible for only a couple of hours during the night. The need to minimise disruption ruled out the removal of some fittings, requiring Thorlux to examine and take detailed measurements of the units while still fixed to the ceilings.

Thorlux then prepared bespoke proof-of-concept LED gear equipment and even duplicated bodywork. When these had been tested and proven on-site, work to refurbish and upgrade the lighting throughout the station began.

To preserve the original diffusers without drilling or modification, SmartScan Radar sensors were used. 24 GHz radar technology penetrates plastics with little or no signal loss.



University Station...

At University Station on the southern leg of Birmingham's Cross City rail line, an ageing late-1970s canopy structure has been replaced with a £56 million state-of-the-art building.

The new station can handle up to 7.2 million passengers yearly and features two spacious pavilion buildings, each containing comfortable waiting areas, offices and platform lifts. The rebuild took three years, during which the station remained open. Thorlux was delighted to supply high-performance, long-life SmartScan luminaires for the new build.

Customers arriving at the new station will find outdoor areas and platforms illuminated by pole-mounted IP66-rated Starbeam luminaires. These powerful, efficient floodlights emit less than 1% upward light, reducing unnecessary light pollution. Corrosion-resistant A-Line luminaires have been deployed under platform canopies and in the passenger footbridge. Other outdoor spaces feature wall-mounted Realta, Realta Micro and vandal-resistant Prismalette 360 luminaires.

Indoors, the pavilion spaces are lit with powerful suspended Comboseal circular luminaires. Capable of producing over 22,000 lumens of white light, with a colour-rendering index (CRI) of over 80, Comboseal is an ideal choice for large, fast-paced transit environments. Elsewhere, narrow-body Kanby LED Controller linear luminaires are installed outside the ticket offices, while backroom spaces feature Radiance Recessed fittings. All the luminaires connect via the SmartScan network.

WMT project accolade

Recognising the success of this long-term relationship and the impressive carbon reductions it has generated, Thorlux Lighting and WMT were highly commended for their overall LED station lighting project at the 2024 Rail Business Awards.

94%
Energy saving

125,387kg
CO_2e reduction

£194,498
Anticipated annual saving

STRATEGY IN ACTION

Rhind Building, University of London.

Thorlux Lighting has worked closely with City, University of London to convert aged light fittings in its Rhind Building on St John Street to the latest energy-saving LED lighting technology.

The Rhind Building houses several lecture rooms and meeting spaces that are in regular use by the university. However, the lighting system comprised outdated fluorescent technology and required updating; besides the recent phase-out of fluorescent lamps from general sale under changes to the Restriction of Hazardous Substances in Electrical and Electronic Equipment Directive (RoHS), the university sought to improve energy efficiency and reduce carbon output.

Seeking a sustainable solution, the university wished to keep the existing multi-function chilled beams at the Rhind Building in place instead of replacing them with new fixtures. Thorlux provided tailored retrofits to replace the existing lamps and covers, re-engineering the existing chilled beam chassis. The retrofit was completed in situ by Thorlux engineers and scheduled around lectures and other bookings to minimise disruption to both staff and students.

Retrofitting offers a circular economy solution which can help minimise waste and keep valuable materials in use for longer. A renovated lighting scheme must provide sufficient light levels and uniformity. With modern LED and optical technology, it is possible to significantly improve light levels while reducing energy consumption compared with older light fittings. This renovation also has the added benefit of saving the embodied carbon arising from brand-new light fittings.

Thorlux retrofitted 1,260 luminaires in the Rhind Building, resulting in an energy saving of 94% compared with the old lighting system, with the potential saving of £194,498 of electricity each year. The award-winning SmartScan lighting management system now controls the retrofitted luminaires, combining maintained illuminance, daylight dimming and presence detection to maximise energy savings. This change contributes significantly to meeting City’s environmental, social and governance responsibilities and sustainability goals. Both City and Thorlux Lighting have separately committed to achieving net-zero emissions by 2040.

Key performance indicators.

The following key performance indicators are considered to be the most appropriate for measuring how successful the Group has been in meeting its strategic objectives. For meeting sustainability objectives the Group considers that measuring CO_2 emissions and renewable energy usage to be the most appropriate indicators.

Financial...

Revenue (£m)

-0.5%

2024	175.8
2023	176.7
2022	143.7
2021	117.9
2020	113.3

Performance in 2024

- Maintained Group revenues
- Revenue growth at Lightronics, offset by Germany and other European countries

Operating profit (£m)

+10.1%

2024	30.6
2023	27.8
2022	24.7
2021	19.2[1]
2020	16.3

Performance in 2024

- Solid operational improvements
- Operating cost pressures from wage rate and general inflation
- Suppressed by TRT

Basic earnings per share (pence)

+10.7%

2024	20.73
2023	18.72
2022	17.16
2021	13.57[1]
2020	11.45

Performance in 2024

- Driven by operating results

Operating cash (£m)

+29.8%

2024	41.4
2023	31.9
2022	19.7
2021	21.9
2020	19.4

Performance in 2024

- Impacted by operating results
- Stock holding continued to reduce, some strategic stock positions still in place

Sustainability...

CO_2 emissions (tCO_2) (Scopes 1, 2 and 3)

-10.2%

2024	212,912
2023	237,081[2]
2022	274,154[2]
2021	322,956[2]

Performance in 2024

- Investment in solar energy generating capacity at factories in the UK, Netherlands and Spain
- All remaining electricity consumed across the Group is from renewable sources

Renewable energy usage (kWh)

+11.9%

2024	4,422,871
2023	3,952,778
2022	2,743,373
2021	790,030
2020	321,236

Performance in 2024

- Solar generation, renewable sourced electricity
- Further solar investment completed

1 2021 excludes the exceptional item in respect of Lightronics fire £1.6m

2 Redated to include SchahlLED

Operational and financial review.

"Following a few years of significant organic and acquisitive growth, this year has been one of consolidation."

Craig Muncaster
Chief Executive, Group Financial Director
& Company Secretary

Operational review

2024 Group Company Overview

FW Thorpe Plc encompasses individual companies that concentrate on particular market sectors and geographical locations. The companies provide the Group with diversity as well as risk mitigation; they do not compete with one another and are complementary.

The companies within the Group can be affected differently by trends and economic impacts within their respective markets. The continuing development and market adoption of LED lighting and controls technology allows Group companies to share the benefits of their product and technical expertise, differentiating themselves from competitors.

Following a few years of significant organic and acquisitive growth, this year has been one of consolidation. The standout performance was from Lightronics, which increased revenue and drove through margin improvements to deliver record operating results.

Performance at SchahlLED was reasonable, especially given the economic conditions in Germany and the company managing the consolidation of the Thorlux Germany business. Zemper also gave a solid performance, with further growth outside of Spain. Operating profit performance improved in the second half, following a slow first half.

The Group's other companies saw mixed results, with similar performance from most companies in the main, but with TRT suppressing results with an operating loss.

Supply chain challenges and material inflation eased this year. The Group procurement team delivered some impressive results at most companies, reversing the increases seen over the last two years. Stock has also been reduced; however, strategic stock levels of certain components are still carried for protection.

The Group's people costs have continued to rise, driven not only by inflationary pressures but also by consecutive significant increases in the minimum wage, which drove cost increases across all levels of the business. Within the Group, we continue to pride ourselves on paying above these minimum wage standards and rewarding success.

The success of the Group's strategic direction has been demonstrated. Diversification of Group revenue sources, either by territory or sector, has delivered solid revenue and, combined with a targeted reduction of material spend, resulted in a growth in operating profit despite selling price increases being limited this year, hampering the Group's ability to offset cost pressures.

The Group continues to invest in manufacturing, selling activities and associated support services, supported by the continued development of innovative lighting products as well as sustained improvement of overall service to customers.

The following is an overview of 2023/24 for each company.

Peckham Library, London, UK

Thorlux Lighting

Following a few years of growth, revenues remained steady this year. Orders surpassed those of last year, with the order book staying at the more typical levels expected.

There was another strong performance from the operational side of the business, delivering close to £50m of revenue in the second half of the year as well as driving stock levels lower. Supply chain challenges lessened; however, there has been some disruption to shipping routes in the Middle East, with knock-on increased costs.

SchahlLED Germany, which reports to Thorlux Lighting on a day-to-day basis, saw its performance slow during its first full year with the Group. The economic climate, with Germany being in recession, has not been helpful, with some projects being deferred. A new IT system was introduced and Thorlux Germany personnel integrated into SchahlLED, distracting effort for parts of the year. The outlook remains positive, with a developing pipeline of opportunities.

Ongoing investment in Thorlux selling and support personnel continues to solidify the business's growth in recent years. This is a targeted approach, both territory and sector driven, with a plan to continue to build the Thorlux sales presence and ultimately grow revenues.

Larger scale projects had less of an impact this year, although a number of healthcare and education projects boosted the final quarter results. Some target sectors perhaps did not deliver the hoped-for return, but investment in these areas will continue.

Revenue from outside the UK, excluding Germany, was more modest this year. Revenue from Australia moved forwards following a few years of being static, and that from Ireland also improved. Exports to some other areas were disappointing, making the overall total lower than last year.

Product innovation remains at the heart of the Thorlux business. SmartScan continues to evolve, with a host of new features and enhancements currently under development and planned for launch in 2024/25. New ranges include the Zipline Eco for warehousing applications and the Group-wide innovation of the popular emergency downlight Firefly. The Firefly project was a collaboration, led by Zemper in Spain, with engineers from all emergency lighting businesses in the Group.

Capital investment projects included the automation of the cardboard packaging process, reducing packaging costs and stock holding whilst improving sustainability. The business's first HVO (hydrogenated vegetable oil) fuelled vehicle was added to the fleet, with potentially more to come this year. With over 54% of the Thorlux car fleet now electric, investments in alternative fuel vehicles are further reducing the emissions and carbon intensity of the business.

Sustainability remains high on the agenda, with Thorlux achieving EcoVadis silver, a recognised measure both for customers and the industry. Investment is planned in gas-reducing technologies for the powder coating process and heating the business's facilities in the next few years to support the Group's net-zero journey.

Whilst continuing to invest for growth, Thorlux managed to deliver a solid revenue result and, more pleasingly, improved operating profits, before acquisition adjustments. The business will continue to build on its targeted sector and territory approach and aim for growth again in 2024/25, mindful that the headwinds of a change of government in the UK could impact short term demand, delaying replacement programmes in certain sectors. Demand for energy saving technologies as well as carbon reporting should underpin revenues, however.

Revenue

£91.9m

2023: £92.7m, -1% (+10%), excluding SchahlLED adding £15.4m (9mths – £16.9m)

Ypenburg Den Haag, Netherlands

Lightronics

Lightronics was the stand out performer for 2023/24 by a distance. Following below par but still respectable results last year, Lightronics returned to form with record operating results this year.

Targeted commercial activities in the wall and ceiling division, aimed at relighting projects in a particular sector, yielded dividends this year. The ability to survey, design and supply enabled Lightronics to secure projects across the Netherlands. Export revenues were generally lower this year, with reduced levels of business in both Germany and France. Growth in the wall and ceiling division and good management of both selling and procurement prices have supported the improvement in margins this year. The commercial team continues to evolve and target its core markets of street lighting, wall and ceiling lighting, and anti-vandal lighting.

There has also been some successful cross-Group selling this year, with the Lightronics wall and ceiling team introducing certain Thorlux UK made products to its customers. Lightronics will take on a number of TRT developments to sell into the Netherlands in the coming year, such as the Oaken and TRT's updated Aspect street light family.

Product development synergies are starting to take shape – collaborations with TRT in particular, which shares similar customer bases, and also Thorlux from a SmartScan lighting controls perspective.

Investments at Lightronics centred around new product tooling following product developments this year; the business looks to share these costs with other Group companies by tooling common components when the opportunity arises. Lightronics plans to invest even further during 2024/25 by stepping up product development innovations, with the appointment of an innovations director, to ensure it remains in a strong market position in the Netherlands, underpinned by renowned excellent quality products.

This year's figures will be tough to beat; however, the business starts the new financial year with a reasonable order book and good pipeline.

Revenue

£26.2m

2023: £24.8m, +6% (+13%) (constant currency +7% (+10%))[1]

[1] Constant currency shows percentage change in sales in the company's local currency.

Amadeus Lyceum, Netherlands

Famostar

This year, Famostar delivered another robust performance, which improved on last year's. Famostar continues to grow SmartScan-enabled revenues and further develop sales of Thorlux products into the Netherlands market, where further progress has been made this year.

There is little to report on the capital investment front this year, given recent investments in buildings and the introduction of a new enterprise resource planning system. Famostar will switch some of its attention to managing a technology shift in terms of batteries that the Group is already well positioned to achieve, given its investments in the UK and Spain in recent years.

Thorlux's product sales via Famostar increased marginally; orders exceeded €1m this year. Successful projects include sectors well known to the Group, such as education and healthcare. At the time of writing, Famostar is on the cusp of winning a project over a three-year period in the education sector in the Netherlands.

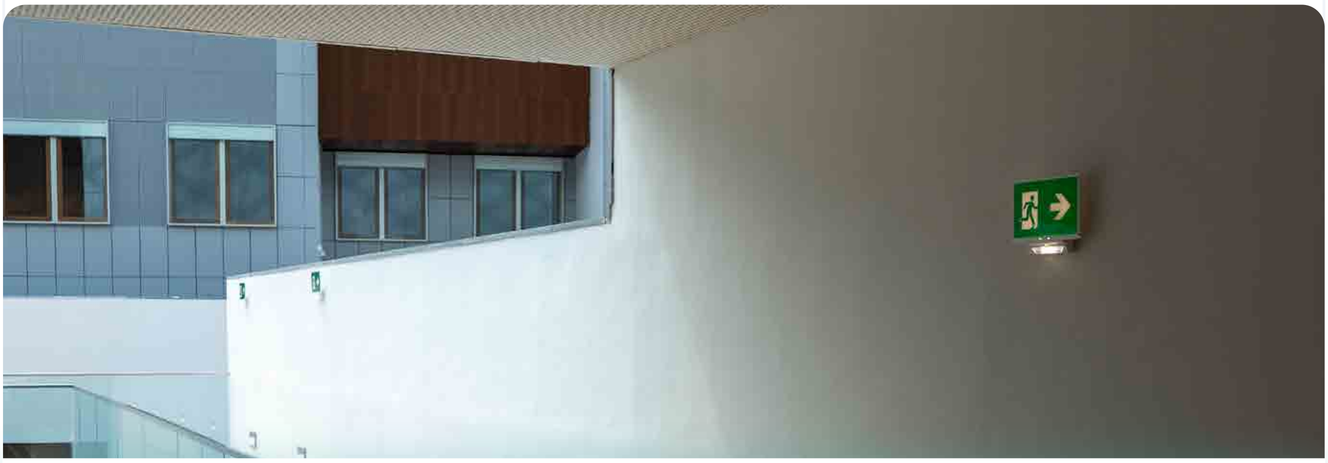
Growth is still on the agenda for Famostar, both in the local Dutch market and by exploring export markets with support from other Group companies. The SmartScan solution is now fully integrated into the existing portfolio, and the distribution of Thorlux products continues to gather momentum.

Revenue

£12.0m

2023: £11.5m, +4% (+4%) (constant currency +5% (+3%))[1]

Palace of Justice, Namur, Belgium



Zemper

As Zemper completed another full year with the Group, revenue and operating profits were broadly in line with last year's. Zemper supplies its product into the three main territories of Spain, France and Belgium, previously untapped by the Group, with additional business from a number of other countries.

The domestic Spanish market was slow this year, but this was largely offset by sales growth in France and Belgium. Supply chain challenges from previous years have now subsided, stock is returning to normal levels, and price increases are starting to reverse. Zemper experienced some shipping disruption during the year, with some temporary uplift in cost.

Operational performance of the business this year should not be the only measurement of Zemper's contribution to the Group. Zemper is the most prolific and enthusiastic contributor to Group synergy projects which should result in significant savings in various Group companies over the next few years.

Zemper's recent investment into injection moulding capacity has started to come to the fore in recent projects. Certain Group components, which would have been sourced externally, are now starting to be manufactured at Zemper, reducing both the cost and certain risk factors to the Group.

The business continues to deliver a solid EBITDA return, and its synergy projects are starting to deliver but will take a little time to come to full fruition. The challenge for Zemper remains: to achieve sustainable profitable growth as per its medium-term projections, building on the foundations of a number of projects that have started following the Group's acquisition of the business.

Revenue

£19.4m

2023: £19.3m, -% (+37%) (constant currency +1% (+33%))[1]

[1] Constant currency shows percentage change in sales in the company's local currency.

Soldier's Bridge, Fort William, UK

TRT Lighting

Having bounced back last year, unfortunately TRT dropped back this year. Some good orders from tunnels were not enough to offset the fall in street lighting revenues.

The sales side of the business has been subject to a complete overhaul, with new sales leadership in place and new personnel covering territories across the UK to improve the depth of coverage. Some shared selling resource with Portland will be introduced in the new financial year, as Portland targets a similar customer base with street/road safety lighting products, as well as the reinvigoration of cross-selling opportunities with Thorlux.

The operational and technical side of the business continued to perform well, not only delivering the complicated mix of both tunnel and street lighting but also supporting Group companies with manufacturing and technical product testing requirements from its facilities in Redditch.

In terms of innovation, TRT is proud to have completed the development of its most sustainable street light, Oaken; this product was recognised by an independent testing house as the most sustainable light it had ever tested in the UK lighting industry. Oaken, a wooden street and amenity light, scored an impressive 3.1 in a TM66 sustainability rating in April 2024. (TM66 takes into account aspects such as material sourcing, embedded CO_2 and recyclability; see more on page 33).

TRT's solid operational base combined with a reinvigorated sales team and innovative product portfolio give cause for some optimism for 2024/25.

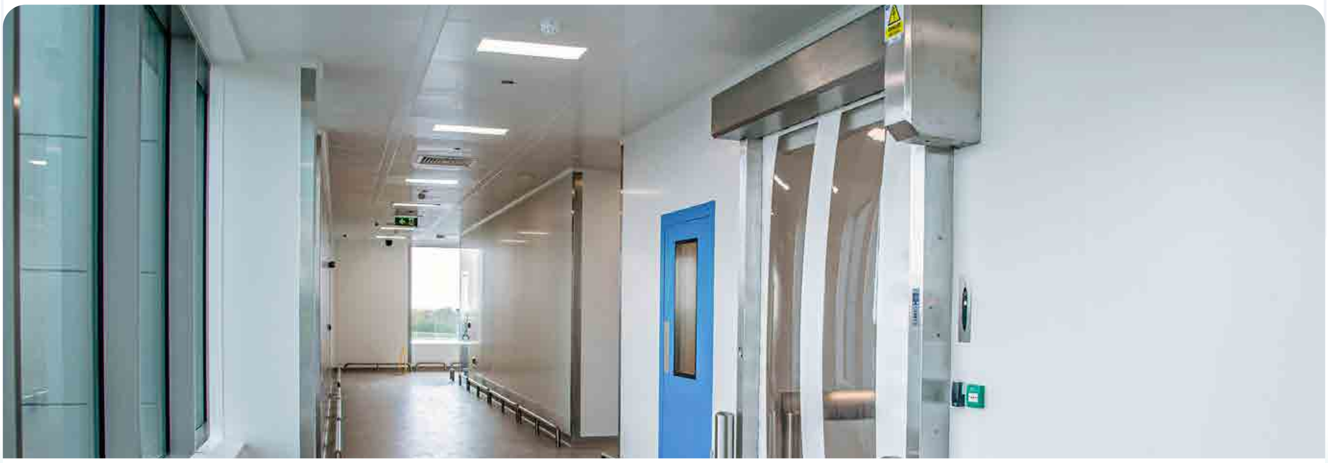
Revenue

£8.5m

2023: £10.1m, -15% (+16%)

Operational and financial review. continued

Wuxi Biologics, Dundalk, Ireland



Solite

Following a few years of growth, Solite fell back this year. Orders remained buoyant, with larger scale projects secured, but some of these deliveries have been deferred into the next financial year. Operating results were still reasonable and not far off the levels of last year.

Operational performance certainly improved. Management of both selling and material cost prices supported margin improvement. Reorganisation of the manufacturing process continues so that Solite can improve its ability to deliver larger scale projects. Solite is also pioneering the use of new powder coating ovens which should result in an estimated 70% reduction in gas usage, supporting the Group's net-zero ambitions.

The ability of Solite to deliver bespoke products for specific projects is one of the fundamental pillars of its success. The business continues to invest in improving its product portfolio as well as adding new ranges such as a specialist exit sign for cleanroom environments and developing a highly efficient cleanroom luminaire, improving efficiencies by over 50% in some applications.

Projects this year included the delivery of products for a UK battery plant for electric vehicles, as well as many notable pharmaceutical, healthcare and transport projects. Successful collaboration with Thorlux continues, both in the UK and Ireland.

The order book remains healthy as Solite starts the new financial year, which will support the continued development of commercial activities. Solite will continue to evolve its product portfolio from both an efficiency and sustainability perspective during the next financial year.

Revenue

£4.0m

2023: £4.4m, -8% (+12%)

Shifnal, Shropshire, UK

Portland Lighting

There will be elements of *déjà vu* in this year's report for Portland. Revenues improved compared with those of a disappointing prior year, driven by the traffic division (road safety sign lighting) of the business.

Although revenue from the traditional sign lighting business remained low, the traffic division, whilst only just starting, accounted for over 20% of revenues this year, supporting the decision to invest in targeting this market. The operating costs of developing this part of the business continue to have an impact; however, the division is starting to deliver promising results.

Product innovation and investment continued, mainly in road safety products. A mid-post beacon was launched and Portland's first significant order of 3,000 Hydra, a safety sign luminaire, was secured, with further opportunities to follow.

Traditional markets – retail and hospitality sign lighting – remained subdued. Portland continues to refine its product offering for these markets as well as look for opportunities to sell into overseas territories via existing distribution channels open to the Group.

Portland starts 2024/25 with a strong pipeline of opportunities for the traffic division spanning the next few years. The combination of traditional sign lighting and a new market opportunity with traffic products should enable Portland to deliver growth in the future.

Revenue

£3.5m

2023: £3.2m, +12% (-17%)

Raffles Hotel, London, UK

Philip Payne

Solid results this year followed a return to typical business levels in 2022/23. Although investment in selling activities continues to weigh on underlying operating results, this is still a reasonable operating return but with room for improvement.

The Philip Payne business is now refocused on its traditional homegrown market of architectural emergency lighting, with additional channels into certain targeted end users and contractors supported by the Group's products from Zemper and Famostar. Philip Payne has also revitalised its channel into hospital safety signage with an updated product portfolio.

Philip Payne will benefit from the Group-wide update of the emergency downlight project, as mentioned in the Thorlux section and in a separate article in this annual report. Further developments completed by Philip Payne this year include ION – the new, high quality exit sign – and the ultimate sustainable exit sign, Arden, supported by the Group innovation team (another example of collaboration and the Group's search for alternative sustainable materials).

Of course, the Group would not be able to sign off a year without mentioning Philip Payne's projects of distinction. This year, the business supplied products into the Dorchester and Raffles hotels in London and Ivy restaurants nationwide.

This year has been one of consolidation, focusing on redefining routes to market and refreshing the product portfolio. Investment in product development, sales and marketing will take some time to come to fruition; however, next year should see those investments starting to deliver.

Revenue

£3.9m

2023: £3.9m, -% (+20%)

Raffles Hotel, London, UK
Philip Payne supplied bespoke lighting solutions to Raffles London, to address the unique challenges presented by the building's diverse spaces.

Operational and financial review. continued

Financial review

The directors have pleasure in submitting their annual report and the audited consolidated financial statements of the Group and the Company for the year ended 30 June 2024.

Results and dividends

Revenue remained relatively flat at £175.8m with operating profit increasing by 10.1% to £30.6m, supplemented by an additional three months contribution from Schahl, acquired in September 2022. Any additional contribution by recent acquisitions are dampened by IFRS related adjustments as disclosed in our segmental analysis.

The increase in Group profitability has been driven by a solid year from Thorlux and growth from our Netherlands companies, in particular Lightronics. Robust results from Zemper and the majority of other UK companies this year also supported the overall result. Operating profit before acquisition adjustments reached £32.4m[1] (2023: £29.8m), up 8.7%.

Both of our most recent acquisitions, Zemper and Schahl, made positive contributions of £4.8m (2023: £4.1m), before amortisation of acquisition, related intangible assets. Given the Group has committed to acquiring the remaining shares over the next few years, we account for 100% of the revenue derived by these companies but adjust the operating profit for intangibles valued at acquisition and profit before tax to reflect the minority shareholding. For added complexity, Schahl predominantly distribute Thorlux products, so there are further adjustments at a revenue and operating profit level.

The remaining UK companies all posted solid contributions with improvements in all except for TRT, however, the overall results for the other companies continues to be dampened by the results from our overseas sales offices in the UAE and Australia, although the latter did generate a small profit this year.

Net finance expense is impacted by both the Zemper and Schahl acquisitions; however, the recent upturn in interest rates have seen returns on our significant cash holding improve.

The taxation charge represents an effective rate of 18.6% (2023: 18.6%). The rate is similar to the previous year driven by the addition of profits from Germany and Spain with a higher headline rate and the substantively enacted higher future UK tax rate. The effective tax rate for UK companies is lower than the current corporation tax rate due to patent box relief driven by the Group's product innovations.

Cash balance remained strong following significant investments during the year.

In April 2024, the Company paid an interim dividend of 1.70p per share (2023: 1.62p) amounting to £1,994,000 (2023: £1,898,000). A final dividend of 5.08p (2023: 4.84p) per ordinary share is proposed amounting to £5,961,000 (2023: £5,674,000), a special dividend of 2.5p per share (2023: nil) amounting to £2,934,000 (2023: nil). If approved, the dividends will be paid on 29 November 2024. Total dividends paid during the year amounted to £7,668,000 in aggregate (2023: £7,301,000). The final dividend for 2023 was paid on 24 November 2023.

Cash and liquidity management

The Group's cash is managed in accordance with the treasury policy. Cash is managed centrally on a daily basis to ensure that the Group has sufficient funds available to meet its needs and invest the remainder. The majority of cash is placed with approved counterparties either on overnight deposit or time deposit. There are a series of time deposits that are maturing on a rolling cycle in order to meet regular business payments, with a margin for larger regular and one-off payments as well as seasonal variation in cash requirements.

The Group primarily trades in sterling. There is an exposure to foreign currency as the Group buys and sells in foreign currencies and maintains currency bank accounts in US dollars, Australian dollars, UAE dirhams and euros. The activities of buying and selling in foreign currency are broadly matched with currencies bought and sold as required in order to minimise currency exposures. Larger exposures would be hedged in order to reduce the risk of adverse exchange rate movement. There were no currency hedging derivatives in place as at 30 June 2024 or 30 June 2023.

Pension scheme position and funding

The latest triennial actuarial valuation was completed as at 30 June 2021. This valuation showed that the pension scheme position remains in surplus and a funding level for the future has been agreed between the trustees of the scheme and the directors of the Company. The directors consider it unlikely that any changes to the present funding levels will have any significant effect on the strength of the Company's statement of financial position.

1 Refer to note 2 on page 130.

Group research and development activities

The Group is committed to research and development activities in order to maintain its market share in the sectors and territories we operate. These activities encompass constant development of both new and existing products to ensure that a leading position in the lighting market is maintained. During the year the Group spent £2,019,000 (2023: £1,874,000) on capitalised development costs, which includes internal labour.

Property, plant and equipment

The directors are of the opinion that the market value of the freehold land and buildings is in excess of their net book value. While it is considered that the market value is significantly greater than the net book value for many of the Group's properties as a result of being acquired between one and over 20 years ago, management considers that undertaking formal valuation exercises would be costly for limited value and, consequently, no formal exercise has been undertaken.

Investment this year was at a lower level compared with previous years. Capital expenditure included an investment in land to further develop our carbon offset programme and replacement of company cars with electric vehicles, as well as further solar at Ratio UK, all continuing to solidify our sustainability credentials.

Creditor payment policy

The Group's policy concerning the payment of its trade creditors is to accept and follow the normal terms of payment among suppliers to the lighting industry. Payments are made when they fall due, which is usually on the day after the end of the calendar month following the month in which delivery of goods or services is made. Where reasonable settlement discount terms are offered for early payment, these terms are usually taken up. The number of days represented by the Company's year-end trade payables is 47 (2023: 45). The Group continues to report on payment practices and performance as per UK legislation.

Internal financial control

During the year, a member of the Group finance department has visited all operating sites to assess their compliance with a selection of key control procedures and any non-compliance reported to the Group Board. Any areas of non-compliance noted as part of this process have been addressed.

In addition, the executive directors regularly visit all operating sites and review with local management financial and commercial issues affecting the Group's operations. Regular financial reporting includes rolling forecasts and monthly financial reports comparing performance against plan as well as the previous year. These reports are reviewed locally with a Group representative and monitored by the Group Board. Accordingly, the directors do not consider that an internal audit department is required.

Craig Muncaster
Chief Executive, Group Financial Director and Company Secretary

3 October 2024

Group total revenue (£m)
£175.8m
-0.5% (2023: +23.0%)

Group operating profit (£m)
£30.6m
+10.1% (2023: +12.6%)

Net cash generated from operations (£m)
£41.4m
+29.8% (2023: +61.5%)

Net assets (£m)
£176.8
+10.2% (2023: +10.3%)

Section 172.

Stakeholder engagement

The Group has the responsibility for managing the challenges that affect the business on a daily basis; this also includes our impact on our key stakeholders. Our ability to engage and work constructively with these stakeholders underpins the long-term success and sustainability of the Group.

Key stakeholders and how we engage with them:

The directors are aware of their duty under Section 172(1) of the Companies Act 2006 to act in the way they consider, in good faith, would be most likely to promote the success of the Company for the benefit of its members as a whole, and, in doing so, have regard (amongst other matters) to:

- The likely consequence of any decision in the long term.
- The interest of the Company's employees.
- The need to foster the Company's business relationships with suppliers, customers and others.
- The impact of the Company's operations on the community and the environment.
- The desirability of the Company maintaining a reputation for high standards of business conduct.
- The need to act fairly between members of the Company.

The Board considers its key stakeholders to be its employees, customers, shareholders, suppliers and the communities and environment we operate within.

Employees...

Why we engage

The right people, capabilities and engagement across the Group is the platform to drive our long-term success.

How we engage

- Employee committees
- Health and safety committees
- Employee appraisals, training and development
- Communication via web portal, notices and company newsletter
- Group board meetings held periodically at different company sites

Customers...

Why we engage

Understanding the needs of our customer is fundamental. We aim to deliver the correct technical solution, professional service, sustainability of products/services and support the customer during a product's warrantable life and beyond.

How we engage

- Meetings/maintaining close relationships via regional sales or business development teams
- Providing Continuing Professional Development seminars and education opportunities
- Company websites
- Customer specific events including trade shows
- Order execution – from lighting design, through to delivery, installation and commissioning

Shareholders...

Why we engage

Trust from our shareholders is key to delivering our strategy and long-term success. We endeavour to provide fair, balanced and meaningful information to shareholders and potential investors to ensure they understand our performance and strategy.

How we engage

- Trading updates at appropriate times
- Regulatory News Service
- Investor meetings and presentations, including company visits
- Dedicated Group website
- Annual and Interim reports
- Annual General Meetings

Suppliers...

Why we engage

We need to maintain reliable relationships with suppliers for mutual benefit and ensure they are meeting our standards, from value for money and quality, through to business ethics.

How we engage

- Meetings and negotiations with key suppliers
- Site visits
- Quality management reviews and audits
- Attending supplier forums and trade shows

Communities and environment...

Why we engage

The Group is committed to being a responsible member of the community and considers the environmental impacts of the customers' use of our products as well as our own operations.

How we engage

- Support local and national charities
- Engagement with local MPs and Chambers of Commerce
- Members of appropriate trade and industry bodies
- Carbon offset scheme in place since 2009, accredited under the Woodland Carbon Code
- Recent investment in solar panels in the UK, Netherlands and Spain facilities
- Products and systems support energy saving and carbon reduction – London Stock Exchange Green Economy mark in 2020
- SBTi commitment to achieve net-zero by 2040

Our sustainability journey.

Sustainability has been at the core of FW Thorpe for many years. Products are designed for longevity using recyclable materials, and the Group's direct carbon impact has been measured for over a decade, with emissions offset using its own independently certified tree planting scheme. Thorlux Smart technology has been saving energy for customers as well as reducing their carbon impact since 2003. FW Thorpe holds the Green Economy Mark, which identifies companies and funds listed on the London Stock Exchange that generate between 50 and 100% of total annual revenues from products and services that contribute to the global green economy.

The journey so far: the Group's progress and plans for the future

Over the last two decades, FW Thorpe has sought to address the carbon impact of its manufacturing and distribution operations. This has led to a major employee engagement programme on energy efficiency of Group operations, as well as significant recent investments in renewable energy generation with the addition of roof-top solar photovoltaic (PV) panels at the Group's manufacturing facilities.

Since 2009, FW Thorpe has been planting trees on its own land in Wales to offset Group emissions each year. The Group has planted 179,412 trees, offsetting more than 44,385 tonnes CO_2e over the next 100 years. FW Thorpe has completed its woodland creation project in Devauden, Wales, and has recently purchased 195 acres of land in Herefordshire.

First energy saving products introduced, controlling lighting and reducing energy consumption

1994

FW Thorpe begins carbon offsetting with tree planting project certified by Woodland Carbon Code

2009

FW Thorpe becomes carbon neutral as a Group[1]

2012

Thorlux, the main revenue driver for the Group, introduces wireless controls technology to monitor and save energy usage, called SmartScan

2016

FW Thorpe receives the Green Economy Mark on the London Stock Exchange

2020

FW Thorpe officially recognised as being carbon neutral since 2012 through independent verification[1]

2022

1 Professionally assessed by independent third party.

Progress this year

In 2023, FW Thorpe Plc announced its ambitious target to achieve net-zero emissions by 2040 and set credible and robust science-based targets. The SBTi has validated that FW Thorpe Plc's science-based greenhouse gas (GHG) emissions reduction targets conform to the SBTi Corporate Net-Zero Standard. The standard includes the guidance, criteria and recommendations companies need to set science-based net-zero targets consistent with limiting global temperature rise to 1.5°C.

Overall net-zero target: FW Thorpe Plc commits to reach net-zero greenhouse gas emissions across the value chain by 2040.

SCIENCE BASED TARGETS

DRIVING AMBITIOUS CORPORATE CLIMATE ACTION

THE NET ZERO STANDARD

APPROVED NET-ZERO TARGETS

FW Thorpe Plc's net-zero target is verified by the Science Based Targets initiative (SBTi) under the net-zero standard

2024

Near-term targets

FW Thorpe Plc has submitted two near-term targets for review by the SBTi. All targets have been assessed against the SBTi's quantitative and qualitative criteria, alongside the Criteria Assessment Indicators.

FW Thorpe Plc commits to reduce absolute scope 1 and 2 GHG emissions by 57.5% by 2030 from a 2021 base year.

FW Thorpe Plc also commits to reduce absolute scope 3 GHG emissions by 25% within the same timeframe.

2030

Long-term targets

FW Thorpe Plc has submitted two long-term targets for review by the SBTi. All targets have been assessed against the SBTi's quantitative and qualitative criteria, alongside the Criteria Assessment Indicators.

FW Thorpe Plc commits to reduce absolute scope 1 and 2 GHG emissions by 90% by 2040 from a 2021 base year.

FW Thorpe Plc commits to reduce absolute scope 3 GHG emissions by 90% within the same timeframe.

2040

Mapping sustainability.

Alignment with the Sustainable Development Goals

The 17 Sustainable Development Goals (SDGs) were launched in 2015 by the United Nations (UN). The SDGs aim to end poverty and create a life of dignity and opportunity for all, within the boundaries of the planet. Global sustainable development priorities and aspirations for 2030 are defined which seek to mobilise global efforts among governments, business and civil society around a common set of targets.

FW Thorpe's activities align most closely with six UN SDGs, covering the themes of good health and well-being, affordable clean energy, decent work and economic growth, sustainable human settlements, responsible consumption and production, climate action.

SUSTAINABLE DEVELOPMENT GOALS

3 GOOD HEALTH AND WELL-BEING

Ensure healthy lives and promote well-being for all at all ages.

7 AFFORDABLE AND CLEAN ENERGY

Ensure access to affordable, reliable, sustainable and modern energy for all.

8 DECENT WORK AND ECONOMIC GROWTH

Promote sustained, inclusive and sustainable economic growth.

11 SUSTAINABLE CITIES AND COMMUNITIES

Sustainable cities and communities.

12 RESPONSIBLE CONSUMPTION AND PRODUCTION

Ensure sustainable consumption and production patterns.

13 CLIMATE ACTION

Take urgent action to combat climate change and its impacts.

Sustainability in action.

The link between the Group's sustainability journey and its strategic priorities related to its products, operations, business model and people is vital to the long-term success of the business.

Products (Design and Innovation)

New products:
- Design principles – circularity focus, recycled renewable content, retrofit options
- Product lifetimes – e.g. 100,000 hour's operation
- Energy efficiency
- Smart technology
- Health and well-being
- Minimum certification against sustainability and circularity standards

Sourcing:
- Electronic components
- Plastics
- Metals
- Wiring
- Packaging

Supply chain:
- Determine sourcing criteria with key suppliers

See more on pages 56 to 58

Operations (Manufacturing Excellence)

Energy usage:
- Own solar generation
- Source from renewables
- Continue and expand carbon offsetting programme

Waste:
- Reduce waste to landfill

Distribution:
- Hybrids/electric vehicles (EVs), shipping routes
- Packaging – type, return/reuse
- Goods in – shipping routes, air freight, packaging

External activities:
- Sales and engineering fleet – hybrids/EVs/hydrogen
- Consider travel policy – trains, air travel
- Ability for certain staff to work at home – reduced travel
- EV charging at work using solar/renewable energy

See more on pages 59 to 60

People

- Health and safety measures – ISO 45001 across the Group
- Training and development
- Employment of young people – continued support of apprenticeship scheme
- Diversity, gender pay
- Responsible wage/salary rates
- Flexible working

See more on pages 76 to 77

Governance

- New products supporting green economy – e.g. EV charging
- Existing products that support the green economy – e.g. Smart, SmartScan
- Refurbishment/reuse business – replacement light engines, upgraded controls
- Alternative financing models for customer projects

See more on page 79

Products.

From an environmental perspective, the greatest impact of a luminaire is during the operating phase, primarily due to the energy it consumes. The Group continues to invest in the development of energy-efficient luminaires and control systems, utilising LED technology, including circuit board design, software development, thermal modelling and optical lens design, ensuring its luminaires provide the optimum lighting performance with the best use of energy and minimal stray emissions. We see this as an important part of our strategy, and while the products and projects below may not have a directly material or significant impact of our own emission reductions, they are linked to our environmental responsibilities.

By utilising the latest high-quality LEDs, evaluated on criteria including colour rendering, luminous flux and thermal stability, the Group guarantees that its luminaires deliver exceptional luminous efficacy and extended operational lifetimes.

New products

The Group is committed to minimising the environmental impact of its products throughout their lifetime, and circular economy principles are now further embedded in the Group Product Design Rules. By focusing on the creation of increasingly energy-efficient luminaires and lighting solutions, the Group not only reduces energy consumption but also extends the lifespan of its products. Group products have always been engineered to last, and extending the life of a product allows it to remain in use for as long as possible; this may be by designing products to be physically durable or to allow the product to be adapted to a user's changing needs through easy upgrade.

The Group actively promotes retrofit solutions for both existing and new customers. By repurposing the bodies of existing luminaires and designing custom gear trays to replace traditional light sources with LEDs, the Group significantly enhances energy efficiency, reduces maintenance costs, and extends the operational lifetime of its luminaires.

Sustainability in action

Zemper EVO10

Zemper has launched the EVO-10 range, a line of premium products that emphasise sustainability and durability, in accordance with its commitment to a commercial policy focused on sustainability. The EVO-10 range aims to achieve longevity, efficiency and reusability.

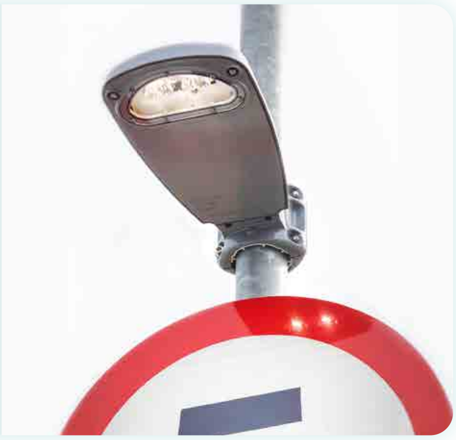
To meet these goals, Zemper has integrated environmental preservation into both product design and development processes. This approach minimises the environmental impact throughout the product life cycle by reducing the use of plastics and the size of printed circuit boards and electronic components, and by closely monitoring their environmental footprint through certified energy consumption and end-of-life studies. During production, recycled and recyclable polycarbonate is utilised, and 95% of the energy consumed comes from renewable sources.

The use of durable components, tested with thermal cameras to identify critical points, has extended the lifespan of all products in the EVO-10 range. This includes the design and manufacture of LEDs guaranteed for 100,000 hours. For batteries, Zemper conducted the largest study to date on LiFeP04 batteries for emergency lighting applications, in collaboration with experts from the IMDEA Institute. The development of microprocessor-controlled hardware and software for managing LiFeP04 battery charging has optimised battery life. Additionally, Zemper has created a proprietary charging system for LiFeP04 batteries that maximises energy efficiency and extends battery lifespan.

Sustainability in action

Portland Hydra

The Hydra represents a revolutionary approach to traffic sign lighting, featuring nine adaptable heads with components arranged in flexible combinations. This design accommodates and services road sign faces of varying shapes and sizes, ranging from 600mm to 1500mm, meeting all required lighting standards. Through ingenious optical engineering, type E2 road signs up to 750mm can be effectively illuminated using just 1W of power. Additionally, with its versatile multi-bracket system designed to fit any size of lamp post, the Hydra stands out as a truly distinctive and fully maintainable modular sign lighting solution.



Sustainability in action

Portland Crossafe Retro

The Crossafe Retro illuminated post converters are proving very popular, providing extended life to existing posts. First installed at Crickhowell for Powys County Council, the Crossafe Retro was nominated for the Innovative Product award at the Highways Electrical Association AGM and Conference at Celtic Manor in October 2023.

Sustainability in action

Thorlux Light Line Retrofit

Thorlux Light Line Retrofit is a drop-in replacement for the original Thorlux Light Line and Light Line Integra fluorescent luminaires. The existing luminaire body remains, while the new clip-in Light Line Retrofit module replaces the original lamps and louvre.

The retrofit solution provides a highly sustainable option for replacing the complete luminaire. Typically, there is a 68% embodied carbon saving, a 50% operational carbon saving, and over 60% of the original luminaire is retained, helping to reduce the environmental impact of upgrading lighting. Thorlux Light Line Retrofit has been certified 'excellent' under the TM66 Circular Economy Assessment Method (CEAM), with a score of 2.9.

See more on pages 28 to 29

Products. continued

Sourcing

As the Group continues to embed the principles of the circular economy, significant strides have been made in reducing packaging waste generated by its businesses. Over the past year, the Group has implemented enhanced planning processes that have enabled Group companies to better manage inventory, minimise excess stock and streamline deliveries. This has not only reduced the amount of supplier-delivered waste but has also eliminated the procurement of unnecessary items.

Building on these initiatives, the Group has further refined its supply chain practices to prioritise sustainable packaging solutions. These efforts include collaborating with suppliers to reduce packaging materials, increasing the use of recycled and recyclable materials, and adopting bulk shipping methods to decrease the overall volume of packaging.

Supply chain

The Group remains committed to its Supplier Code of Conduct, ensuring an ethical and sustainable supply chain by working closely with suppliers to embed sustainable practices. The Group's mainline suppliers are based throughout the world and vary considerably, both in terms of size and amount spent with them. All product suppliers are subject to an approvals process before they are permitted to supply products. Many hold international quality standards and accreditations and are regularly audited to ensure ongoing compliance with quality standards and other regulatory requirements.

In addition, the Group maintains relationships with a large number of non-product suppliers, primarily based in Europe. These suppliers are also subject to stringent due-diligence processes to ensure they meet the same high standards as our product suppliers. This comprehensive approach ensures that all the Group's suppliers adhere to the Group's commitment to quality, sustainability and ethical practices.

Sustainability in action

Lightronics reusable plastic clips

In its efforts to further reduce packaging materials, Lightronics is currently trialling reusable plastic clips as substitutes for single-use foam inserts between stacks of polycarbonate bowls. These clips were developed in collaboration with the injection moulding supplier of the bowls, and are sent back with each shipment from the supplier. This return system has already been established with Lightronics-branded lashing straps.

Thorlux box-making machine

In November 2023, Thorlux Lighting installed a new box-making machine at its Redditch, UK, manufacturing facility. This significant investment is part of the ongoing efforts to maximise sustainability and efficiency in the Thorlux packaging and dispatch department.

The new Panotec Nextmode 2.5 machine can cut, crease and perforate up to 10 cardboard boxes per minute, depending on the required size and shape. The new machine is approximately 3.5 metres wide and 8 metres long and was purchased through cardboard supplier Ribble Packaging. In addition to the box machine itself, the November installation included an e-gluer machine, barcode reader and internal printers. This setup provides a complete in-house branded packaging solution for the company.

Thorlux now has the flexibility to produce boxes to order, making specific packaging for luminaires and equipment at the point of shipping. This capability eliminates wasteful stockpiling and saves valuable space. Any card offcuts are baled and recycled, ensuring Thorlux keeps wastage to the absolute minimum.

Thorlux anticipates it will produce approximately half a million boxes on-site each year. Besides reducing waste and overstocking, the new equipment will increase efficiency and cost-effectiveness; Thorlux anticipates the machine will pay for itself in just two years, based on its previous carton spend for the year 2022.

SUSTAINABILITY

Operations.

Energy usage

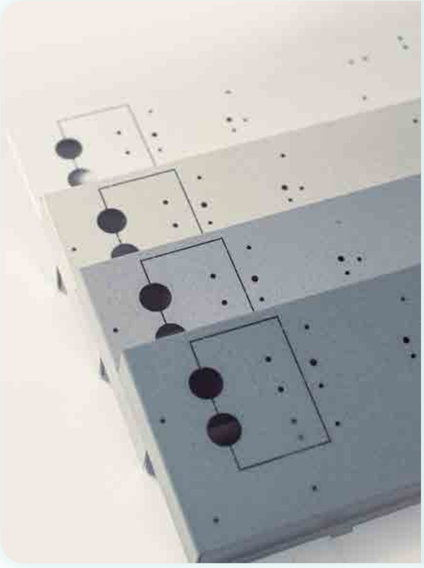
The Group has installed solar PV units on the roofs of most of its UK manufacturing facilities, as well as at Lightronics and Famostar in the Netherlands and Zemper in Spain. The units have the capability to deliver over 2 million kWh per annum, reducing the Group's consumption from traditional electricity sources. All remaining significant electricity consumption is now derived from renewable sources. In addition to these efforts, the Group is actively exploring initiatives to reduce its gas usage at its manufacturing facilities.

Waste

All Group companies are required to meet ambitious targets to reduce waste to landfill through the economical use of resources and recycling of materials. Through better planning, the Group has successfully managed inventory, minimised excess stock, streamlined deliveries and eliminated unnecessary purchases.

External activities

A proactive policy has been implemented to increase the adoption of hybrid and fully electric vehicles. Currently, more than half of the company's fleet consists of either electric or hybrid vehicles.



Sustainability in action

Thorlux powder coating process

Despite the efficiency of the Thorlux powder coating process, a small amount of paint ends up as waste. To keep this from landfill, it is now being collected and reused. The collected powder is a mix of colours, so Thorlux only uses it to coat non-visible parts of the luminaire, such as internal components or gear trays. This initiative has reused over 1.8 tonnes of powder in four months, coating nearly 38,000 components.

Sustainability in action

Zemper goes green

Zemper has acquired an electric van for local deliveries to enhance its commitment to sustainability and reduce its carbon footprint. Additionally, the electric van offers cost savings on fuel and maintenance compared to traditional vehicles, contributing to the company's operational efficiency.

Operations. continued

Thorlux carbon offsetting project

Since 2009, FW Thorpe has been planting trees on its own land in Wales to offset Group emissions annually. The Group has planted 179,412 trees, effectively offsetting more than 44,385 tonnes of CO_2e emissions over the next 100 years.

The carbon capture tree-planting scheme (quality-assured by the government-backed Woodland Carbon Code) is independently certified to ISO 14064-3 and ISO 14065 standards. (The Woodland Carbon Code is an independent standard devised by a group led by the UK Forestry Commission that certifies woodland creation projects that accurately measure how much carbon is captured and stored).

FW Thorpe has completed its woodland creation project in Devauden, Wales, and has purchased 195 acres of land in Herefordshire. This land holds significant potential for connecting existing woodlands to enhance biodiversity and landscape. Ecological surveys have been conducted on the new land, and community consultations have taken place, with planting activities scheduled to commence in spring 2025.

The Group is committed to making Brook Farm a destination for community enjoyment. A network of shale paths will be established, allowing dog walkers and visitors easy access via a public right of way from the village or a car park at the entrance. Features such as signposts, waymarkers, noticeboards, benches and picnic areas will enhance the visitor experience.

Sustainability Working Group – visit to Devauden

In May 2024, the FW Thorpe Sustainability Working Group convened in person for a two-day event including a trip to the Group carbon offsetting project in Monmouthshire, Wales and the recently acquired land in Herefordshire. Plans for this new site are currently being developed with planting expected to start in early 2025.

Sustainability Working Group visit

To date, the Group has planted

179,412

trees

Offsetting more than

44,385

tonnes of CO_2e

Brook Farm Planting Map

The Brook Farm Woodland Creation Scheme aims to establish a thriving woodland, enhance biodiversity through the expansion of natural habitats, and improve existing site features whilst providing enjoyable recreational areas for local residents.

- **Recreational Footpaths**
- **Exisiting Woodland**
- **Public Right Of Way**
- **Broadleaf High Forest**
- **Watercourses**
- **Native Broadleaf Woodland**
- **Managed Open Space**
- **Continuous Cover Forestry**

CFD.

Reporting on Climate-Related Financial Disclosures

Overview

F. W. Thorpe Public Limited Company ("FW Thorpe" or the "Group"), a leading designer and manufacturer of professional lighting equipment with over 900 employees worldwide, recognises that long-term success is inextricably linked to environmental responsibility. The Group acknowledges the critical nature of issues such as greenhouse gas emissions and energy efficiency. FW Thorpe is dedicated to maintaining the highest environmental standards and is committed to supporting the UK's goal of achieving net-zero emissions by 2050. This commitment aligns with its long-term growth and stability core values, achieved by delivering market-leading products backed by excellent customer service. The Group's passionate team leverages its energy and ability to develop the business for the benefit of shareholders, employees and customers. With the future in mind, the Group is confident that by combining its expertise in lighting with a commitment to sustainability, FW Thorpe will continue to illuminate the path forward.

Compliance statement

The Companies (Strategic Report) (Climate-related Financial Disclosure) Regulations 2022 (the Regulations) require certain publicly quoted companies and large private companies to incorporate climate disclosures in their annual reports. As a large company, FW Thorpe is regulated and required to implement the reporting guidelines. It has adhered to the mandatory requirements by including climate-related financial disclosures that are consistent with the regulations. In 2024, FW Thorpe complied with all eight reporting disclosure requirements of the Climate-related Financial Disclosures regulations.

Governance

Climate-related considerations are incorporated into the Group's strategic planning process. While climate risk is currently being integrated into the strategy, the Group aims to further embed climate-related factors into its decision-making processes, including target setting, capital allocation and performance evaluation. The Group maintains open and transparent communication with stakeholders regarding its climate-related activities. This includes regular reporting, engagement with industry associations, and participation in relevant initiatives. The Group has implemented the following governance structure to address climate-related risks and opportunities effectively.

Board composition and oversight

FW Thorpe's Board of Directors recognises the significance of climate change and its potential impact on business operations, financial performance and reputation. The Board comprises experienced professionals with a diverse skill set encompassing finance, operations and industry-specific knowledge.

Climate change is a strategic imperative for FW Thorpe and is given dedicated attention at quarterly Board meetings of each Group company and annual sessions of the overall Board. The Board considers climate-related issues in relation to its business in the form of Research and Development (R&D) of its products, decarbonisation of its operations, resource management and its carbon offsetting programme. The Chairman and Chief Executive Officer (CEO) provide leadership in overseeing the Environmental, Social, and Governance (ESG) agenda, with a particular focus on climate change. Sustainability and Climate Risk are standing agenda items at both the Group and subsidiary levels. Each company generates a specific report detailing progress against Science-Based Targets Initiative (SBTi) targets, annual Group sustainability, climate risk targets and specific projects aimed at achieving these goals.

The Board annually oversees the climate-related risk management process, which involves input from the management team and external consultants, Inspired ESG. During the current reporting year (2024), a climate-risk workshop was held in March 2024, attended by a member of the Board and members of the Sustainability Working Group. This workshop included a general overview of climate change, a climate scenario analysis at the Group level, and a detailed review of climate-related risks and opportunities specific to the business.

Figure 1: Our Governance Structure

Subsidiary Sustainability Champions → Subsidiary Directors → Sustainability Working Group → The Board

Remuneration committee

The Committee meets at least once a year and is responsible for determining and reviewing, with the Board, the policy for remuneration of the executive directors. The Committee approves the structure of, and determines any targets for, any performance related pay schemes, reviews the design of any share incentive plans and determines the policy of any pension arrangements for each executive director. An element of the executive share option plan is tied to achieving the Carbon Reduction Target, aligning executive incentives with the Group's sustainability strategy. Although the Group lacks a formal ESG committee, sustainability is discussed at subsidiary board meetings where management reports to the Board.

Management engagement

The Group-wide sustainability strategy is chaired by the Chairman and the CEO, who ensure climate considerations are embedded into the Group's core business operations. A robust reporting framework supports quarterly updates to the Board by the CEO on climate-related performance, fostering accountability and transparency throughout the organisation.

Climate risk management is a collaborative effort involving various stakeholders. The Group management team, subsidiary boards, and Sustainability Working Group work together to identify, assess and manage risks and opportunities. To aid this process, the Group also benefits from the expertise of external consultants who conduct annual climate scenario analyses and risk workshops. Management reviews the resulting risk register and presents it to the Board. The CEO oversees the climate risk register providing quarterly updates to the Board on climate-related risks and opportunities.

The Group-wide Sustainability Working Group, led by senior managers from the subsidiaries, focuses on identifying and developing sustainability solutions. This group works with the Group management team and subsidiary boards to address climate-related risks and opportunities. Each subsidiary's Managing Director (MD), guided by the Board, is responsible for sustainability and climate change initiatives. Subsidiary managing directors host quarterly meetings, report Key Performance Indicators (KPIs) and update the Board on progress against climate-related targets and associated initiatives. To support local sustainability efforts, a designated sustainability champion is appointed within each business and reports to the subsidiary managing directors. The Sustainability Working Group meets quarterly to monitor progress and discuss initiatives.

Future plans

FW Thorpe is committed to strengthening its climate governance framework. It is considering establishing a formal ESG committee to enhance its focus on sustainability and climate-related matters. Additionally, the Group will continue to invest in employee training and development to build climate-related expertise across the organisation.

TRT Solar installation, Redditch, UK

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Reporting on Climate-Related Financial Disclosures

Risk management

FW Thorpe evaluates how climate-related risks might impact its ability to continue operating in the foreseeable future. Climate risk is assessed separately from other enterprise risks, and both are managed using distinct methodologies. The aim is to incorporate, where possible, climate-related issues when reviewing the Group's business strategy, targets and major plans of action and investments.

This involves identifying and assessing potential impacts on operations and overall business viability due to regulatory changes, physical impacts of climate change (e.g., extreme weather events), and shifts in market demand. These evaluations are included in the Group's disclosures to provide stakeholders with an understanding of how climate change may affect the Group's long-term sustainability and operational continuity.

Step 1: Identification of risks

The Sustainability Working Group and its third-party ESG consultants are the main participants in climate-related risk identification in collaboration with key departments (e.g. Operations, Finance, Marketing and Research and Development). This process involves:

- **Scenario analysis:** The Group used the climate scenario analysis conducted in February 2024 to identify potential physical and transition risks across different warming scenarios and time horizons.
- **Data analysis:** The Group analysed operational data, supply chain information, and market trends to identify climate-related vulnerabilities and dependencies.
- **Stakeholder engagement:** The Group gathered insights from employees, customers, suppliers and industry experts to identify emerging risks and opportunities.
- **Regulatory review:** The Group monitored relevant climate-related regulations and policies to assess potential impacts on the business.

Guided by CFD recommendations and an expert sustainability consultancy, the risk identification process, which is conducted annually, identified nineteen climate-related risks and five opportunities at the Group level in 2024. The Group has potential exposure to climate-related risks that could impact both its operations and the products it promotes. FW Thorpe identified climate change as a principal risk in 2023, with the help of external consultants during a climate modelling scenario workshop, followed by subsequent internal discussions. This risk, initially recognised in 2023, has been reaffirmed this year. For more details, please refer to the Strategic Report on pages 16 to 83.

Ratio io7 EV charger

Step 2: Evaluation of risks

In February 2024, the Group conducted a climate scenario analysis to evaluate each risk. This assessment considered varying timescales and global warming projections. The outcomes of the climate scenario analysis were disseminated to a diverse group of stakeholders, including representatives from Operations, Sustainability, Risk Management, Finance, and the Board, at a dedicated workshop held in March 2024.

The Group employed a matrix-based approach, to assess and prioritise climate-related risks. A scoring system quantifies the risks, with higher scores indicating more significant potential harm to the business.

- **Risk scoring:** Risks are evaluated based on probability (likelihood of occurrence) and impact/severity. Probability is assessed on a scale of 1-5, with one being unlikely and five being almost certain. Impact is assessed on a scale of 1-5, with one being low and five being catastrophic. This scale measures the potential consequences of the risk occurring.
- **Gross risk factor:** A numerical scale correlates with the level of risk materiality to the business, guiding decision making on the necessary response. It is calculated as the product of likelihood and impact scores. The combined score determines the risk's overall severity and helps prioritise mitigation efforts. Risks falling within the 10 to 25 range require our most rigorous mitigation strategies.
- **Residual risk factor:** This is calculated by multiplying the likelihood and impact scores after implementing control measures. The Group uses the matrix in Table 2 to identify material risks. A risk is deemed material to the business if the residual risk factor is equal to or greater than ten. Thus, if the residual risk factor scores between 10 and 25, it is material to the business and requires close monitoring.

Table 1: Risk Response Options

Residual Risk Factor After Control(s) Applied	Description
1	The identified risk is not material to the business.
2-4	The identified risk is not material to the business.
5-9	The identified risk is not material to the business.
10-14	The identified risk is material to the business.
15-25	The identified risk is material to the business.

Table 2: Risk Rating Matrix (Residual Risk Factor)

Impact/ Severity \ Probability/Likelihood	1	2	3	4	5
1	1	2	3	4	5
2	2	4	6	8	10
3	3	6	9	12	15
4	4	8	12	16	20
5	5	10	15	20	25

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Reporting on Climate-Related Financial Disclosures

Step 3: Management of Risks

Following the risk assessment, the Group developed tailored management and mitigation strategies for each identified risk. The Group collaborated with internal Finance, Operations and Marketing stakeholders to leverage existing mitigation practices to inform this process. A "climate lens" was applied to existing strategies across the business, and new approaches were introduced as needed. A climate-risk register was established in June 2024 and is maintained and reviewed annually by the Chief Executive with support from the finance team. The Risk Register received approval by the Board in July 2024. Risk ownership and accountability were assigned to specific individuals or teams, ensuring clear responsibility for managing climate-related risks. The climate risk register is integrated with the existing risk management framework, as climate change is incorporated within the principal risks.

Strategy

The Group is dedicated to tackling contemporary sustainability challenges and seizing related opportunities through its business strategy. A thorough understanding of customer and key stakeholder needs and expectations is pivotal in prioritising the most pressing issues and maintaining responsible and sustainable operations.

FW Thorpe has set ambitious goals to significantly reduce its Group-level Greenhouse Gas (GHG) emissions, demonstrating its commitment to climate action. The Group had these targets validated by the SBTi in 2024. FW Thorpe aims to reduce absolute Scope 1 and 2 (market-based) GHG emissions by 57.5% by 2030 from a 2021 base year. Additionally, the Group is committed to reducing absolute Scope 3 GHG emissions by 25% within the same timeframe and compared to the same baseline. Furthermore, the Group pledges to achieve a 90% reduction in absolute Scope 1 and 2 GHG emissions by 2040, using 2021 as the baseline. It also commits to a 90% reduction in absolute Scope 3 GHG emissions within the same period and compared to the same baseline, in accordance with SBTi's definition of net-zero. To support these goals, FW Thorpe has implemented Group-wide initiatives to minimise energy use, generate renewable energy through solar photovoltaic (PV) units, and procure renewable energy. These initiatives are integral to the sustainable and responsible business strategy.

Climate scenarios

Following the guidance of the Task Force on Climate-related Financial Disclosure (CFD), the Group has conducted a climate scenario analysis across its operations, to evaluate its climate-related risks and opportunities. Climate scenarios are projections of future climate conditions, based on different warming pathways. To develop the scenarios, the Group utilised a variety of climate models and internationally recognised frameworks, such as the International Energy Agency's World Energy Models (WEM), the Shared Socioeconomic Pathways (SSPs), the Climate Natural Catastrophe Damage Model, Coordinated Regional Climate Downscaling Experiment (CORDEX) regional climate forecasts, and Integrated Assessment Models (IAM). Climate models, while valuable tools, have limitations. Their ability to perfectly replicate real-world dynamics is uncertain, and they may overestimate or underestimate certain variables. This highlights the need for continuous refinement and updates.

- **Transition and physical risks:** The Group considered both the challenges presented by the shift to a low-carbon economy (transition risks) and the direct impacts of climate change on its operations, such as flooding, heat stress and water scarcity (physical risks). Transition risks have been identified at the Group level, with a potential of impacting the overall business strategy and operations. A total of 15 operational and sales offices across multiple regions have been identified to address potential physical risks.
- **Multi-timeframe assessment:** Recognising that climate change impacts extend beyond traditional planning horizons, the Group evaluated risks across short (2023-2027), medium (2028-2037), and long-term (2038-2052) timeframes. The medium-term timeframe aligns with its near-term targets, and the long-term timeframe covers the Group's net-zero targets for 2040.
- **Exploring climate scenarios:** The Group analysed different warming scenarios, based on global responses to climate change. These included scenarios aiming for a below 2°C, 2-3°C, and an above 3°C future by 2100. This approach, exceeding CFD's recommendation of exploring scenarios below and above 2°C, provides a more comprehensive understanding of potential impacts.

Table 3: Three warming pathways

Scenario warming pathways	
<2°C by 2100: Achieving Collective Net-Zero Ambition	**The <2°C scenario represents a global ambition to limit global warming to below 2°C by 2100, aligning with the goals of the Paris Agreement.** This optimal scenario involves concerted efforts from businesses, governments and individuals to mitigate climate change. Aligning with the Paris Agreement and setting net-zero goals will be crucial. While transition risks are elevated, this path significantly reduces future climate impacts. As a sustainable lighting leader, FW Thorpe is well-positioned to capitalise on the growing demand for energy-efficient solutions. The Group is committed to innovation, collaboration, and achieving net-zero by 2040, in line with the Paris Agreement.
2-3°C by 2100: Adapting to a Transforming Climate	**The 2-3°C scenario highlights the critical need for a strong and coordinated global response to climate change.** This scenario reflects a potential future where global climate action is uneven. While some governments enact regulations, lacking strong, coordinated responses could create business uncertainties. The Group recognises the potential for poorly designed policies to disrupt supply chains and hinder access to vital resources. However, this is an opportunity to drive innovation in sustainable lighting solutions. The Group can navigate this dynamic landscape, by proactively adopting sustainable practices and collaborating with stakeholders across the industry.
>3°C by 2100: Prioritising Risk Mitigation in a Warmer Future	**This scenario serves as a reminder of the urgency of climate action.** This scenario represents a future with minimal short- or medium-term global action on climate change. While transition risks for businesses may be limited in the short term due to a lack of regulatory pressure, the long-term consequences are significant. For FW Thorpe, a "business as usual" approach poses challenges. Increased extreme weather events could disrupt supply chains, impact energy infrastructure and damage facilities. Additionally, rising temperatures could lead to resource scarcity, affecting the availability of crucial materials for lighting solutions.

The following outlines the time horizons used to identify when a risk or opportunity will significantly impact the business.

Short term (2023-2027): A foundation for sustainability

This timeframe aligns with typical business planning cycles, allowing immediate action on sustainability initiatives. The Group can quickly capitalise on easily achievable opportunities and mitigate risks associated with upcoming regulations. This period coincides with growing client demand for environmentally conscious practices within the lighting industry.

Medium term (2028-2037): Shaping the future of sustainable lighting

This timeframe positions FW Thorpe as a market leader in developing sustainable lighting solutions. The Group can utilise this period for strategic investments in research and development, focusing on innovative technologies that pave the way towards net-zero goals. Additionally, this timeframe aligns with established targets for significant reductions in greenhouse gas emissions by 2030.

Long term (2038-2052): Charting the course to net-zero

This extended timeframe provides a comprehensive lens for risk management. The Group can anticipate potential shifts in consumer preferences and the emergence of new technologies that impact the lighting industry's environmental footprint. Setting a long-term vision for sustainability demonstrates FW Thorpe's unwavering commitment to a greener future. This period encompasses the entire journey to net-zero emissions by 2040, allowing the Group to explore long-term technological advancements, infrastructure changes and potential policy shifts necessary to achieve this ambitious goal.

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Reporting on Climate-Related Financial Disclosures

Analysis results

In February 2024, the Group conducted a climate scenario analysis, which was presented to and discussed by the Board and other key personnel in a workshop in March 2024. Representatives from Operations, Finance and Marketing attended the workshop. This analysis evaluated nineteen climate-related transition and physical risks and determined that none were material to the Group's future business and strategy after applying mitigation and controls. The Group assessed physical risks by location, focusing on 15 sites, and transition risks at the Group level, as they are relevant across all business operations. These risks will be reviewed annually. Please see the Risk Management section for the methodology used to determine material risks and the review process.

Although mitigations and controls are already in place to manage these climate-related risks, monitoring their status and effectiveness is crucial. Annual reviews and updates will be conducted to ensure these controls remain robust and responsive to any changes in the risk landscape. Additionally, the Group must be prepared to escalate its response if the risk severity increases. Should a risk move into the higher score ranges (10-14 or 15-25), it will be considered material and may require more stringent measures.

While the Group acknowledges the presence of various climate change risks, its assessment indicates that no individual climate-related threat currently poses a material risk to the business. This is due to a combination of factors, including geographic spread, which mitigates exposure to localised climate impacts, and robust risk management strategies encompassing scenario analysis, contingency planning, and continuous monitoring; no risks are deemed material. Thus, all individual climate change risks are currently manageable.

Even though the assessment indicates that no single climate-related risk currently poses a material threat to the business, the Group recognises that the cumulative impact of climate change represents a significant principal risk, as it requires, and will require, ongoing attention and proactive management. The risk management process is designed to proactively identify and mitigate principal risks before they escalate to material levels. Before the Group's mitigation efforts, it identified six transition risks and five physical risks as material. These included increased regulation due to climate change, enhanced emissions reporting obligations, carbon pricing, heatwaves, flooding and wildfires. The Group has implemented strategies to mitigate these risks and minimise their potential impact on the business. To address this, the Group has implemented strategies that have reduced greenhouse gas emissions (see Table 4 for progress against targets). Additionally, the Group conducts site risk assessments, monitors climate-related trends and plans for potential future scenarios to ensure its business remains resilient in the face of evolving climate risks.

Opportunities

FW Thorpe recognises the imperative to reduce its carbon footprint and contribute to a sustainable future. The identified opportunities to decrease emissions across the product lifecycle are pivotal to achieving these goals. These initiatives are not merely operational improvements but strategic imperatives driven by various factors. Firstly, increasing regulatory pressures and consumer expectations around environmental responsibility necessitate a proactive approach. Secondly, a reduced carbon footprint can lead to cost savings through energy efficiency and potential government incentives. Thirdly, such initiatives align with FW Thorpe's corporate social responsibility commitments and can enhance the Group's reputation.

The materiality of these opportunities was determined through a rigorous assessment and discussion of their potential environmental impact and alignment with the Group's overall strategy in the climate risk workshop held in March 2024, as well as subsequent internal discussions. FW Thorpe has prioritised a strategic focus on identifying and capitalising on material climate opportunities rather than formalising a scoring system. This is because climate opportunities are often more fluid, emerging and less tangible than risks. They may require a more flexible and iterative approach to identifying and evaluating potential benefits.

1. Products and services

Description: New low-emission product and service lines.

Timeline: Short -medium Term (2023-2037). Scenario: <2°C and 2-3°C.

Early investment in low-emission and energy-saving products offers a strategic advantage, by positioning a company as a market leader, differentiating it from competitors, and building a strong, environmentally conscious business. This approach capitalises on growing market demand for sustainable products, increasing revenue and reducing costs through innovation. It contributes to climate change mitigation and enhances the Group's image. By proactively addressing tightening environmental regulations and building a resilient supply chain, companies can mitigate risks and achieve long-term financial and environmental sustainability.

FW Thorpe is actively working to reduce its environmental impact and is continuing to invest significantly in research and development to create innovative products, while optimising its supply chain. By emphasising product longevity, reusability, reduced energy consumption and the use of sustainable materials, FW Thorpe is aligning its business with consumer preferences for environmentally friendly options.

Alignment with net-zero targets: Investing in low-emission and energy-saving products can significantly reduce overall environmental impact through lower absolute Scope 1 and 2 (market-based) emissions and reduced absolute Scope 3 emissions. Please see Table 4 for progress against targets and Tables 6 and 8 for reported emissions.

2. Energy Source

Description: Use and installation of low-emission energy technology.

Timeline: Short-medium Term (2023-2037). Scenario: <2°C and 2-3°C.

FW Thorpe is well-positioned to capitalise on the global drive towards net-zero. The Group's existing solar PV projects demonstrate its commitment to sustainable practices. By expanding renewable energy generation, FW Thorpe can reduce operational costs, lower carbon emissions, and enhance its reputation as a responsible corporate citizen. With available financing options to support these initiatives, the Group has a significant opportunity to achieve long-term financial and environmental benefits, while solidifying its leadership in sustainable manufacturing.

The Group is actively increasing its renewable energy footprint. For example, focusing on scaling up its solar PV operations by increasing panel numbers, exploring new locations, and adopting advanced technologies to minimise gas consumption. The Group is committed to transparency and is tracking its progress in renewable energy generation and emissions reduction.

Alignment with net-zero targets: Increasing renewable energy generation directly contributes to reducing market-based Scope 1 and 2 emissions (purchased energy) and indirectly impacts Scope 3 emissions (depending on the electricity grid's carbon intensity). Please see Tables 4 and 8 for progress against these targets.

3. Resource efficiency

Description: Use of energy-efficient technology.

Timeline: Short-medium Term (2023-2037). Scenario: <2°C and 2-3°C.

FW Thorpe sees a significant opportunity to reduce its carbon footprint and operational costs through energy efficiency. By investing in advanced technology, companies can optimise processes, consume less energy and reduce energy costs. These savings will benefit the environment and improve profitability. Coupled with the existing SmartScan platform, the Group can offer comprehensive energy management solutions to its customers.

FW Thorpe is already taking concrete steps to enhance its energy efficiency, by identifying areas where energy-saving technologies can make the biggest impact on operations. The Group is focusing on solutions that boost efficiency, without compromising output. To drive this initiative forward, teams are encouraged to share their ideas for saving energy. The sustainability newsletter, training

Thorlux powder coating facility utilising recycled powder

CFD.

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materials, and the "Net-Zero Hero" award highlight the importance of this work. The Group is committed to continuous improvement, regularly reviewing its processes, to identify further opportunities for efficiency gains. Before investing in new technology, the Group carefully assess its long-term financial benefits to ensure a positive return.

Alignment with net-zero targets: Reducing energy intensity directly contributes to lower energy consumption and, consequently, reduced Scope 1 and 2 emissions. Please see Tables 4 and 8 for the progress against targets and year-on-year comparison.

4. Markets

Description: New emerging low-emission markets.

Timeline: Short-medium Term (2023-2037). Scenario: <2°C and 2-3°C.

The shift to a lower-carbon economy presents opportunities for FW Thorpe. By actively seeking out new markets and investing in low-emission technologies, the Group can diversify its business and strengthen its position for the future. It sees potential in collaborating with local businesses and communities to support their transition to cleaner energy sources. Additionally, investing in green technologies and infrastructure can open new revenue streams and enhance the Group's sustainability profile. Embracing these opportunities will contribute to a greener planet and drive long-term growth and success for FW Thorpe.

The Group is already adapting its business to meet the challenges and opportunities of a low-carbon economy. It is transforming its product range to meet the specific requirements of new markets, developing lower-emission and energy-efficient versions that align with global sustainability standards. To support local economies and reduce the Group's environmental impact, it is building strong relationships with local suppliers. This helps the Group to source materials and services closer to home, cutting down on transportation emissions. The Group is also committed to sustainable supply chains, ensuring that the materials it uses are sourced responsibly and that suppliers share its commitment to environmental protection.

Alignment with net-zero targets: The Group's commitment to achieve net-zero by 2040 aligns with the growing demand for sustainable solutions. As outlined in Table 4, it has made significant strides in reducing both direct and indirect emissions. The 100% landfill diversion target by 2030 aligns with a circular economy, promoting resource efficiency and environmental sustainability.

5. Resilience

Description: The business is well-adapted and positioned to deal with climate change.

Timeline: Short-medium Term (2023-2037). Scenario: <2°C and 2-3°C.

FW Thorpe is building resilience to climate change by preparing for its impacts and seizing opportunities. As a company with long-term assets and complex supply chains, it understands the importance of adapting to a changing climate. It is focused on building its capacity to manage climate-related risks while exploring new avenues for growth. By doing so, FW Thorpe is positioned for long-term success in a changing world.

The Group is actively building its resilience to climate change. It has started by identifying potential climate risks to its business through detailed assessments and scenario planning. Based on these findings, strategies will

Thorlux retrofitting service

be developed to protect its operations and assets. This includes creating more flexible supply chains, strengthening its infrastructure, and staying ahead of evolving climate regulations. Taking a proactive approach, ensuring FW Thorpe's long-term sustainability.

Alignment with net-zero targets: Achieving emissions reduction targets can bolster its resilience by mitigating exposure to carbon pricing, regulatory shifts and physical climate impacts. Additionally, enhancing energy efficiency, which directly contributes to emissions reductions, can fortify against volatile energy costs. Please see Tables 4 and 8 for progress against targets.

Metrics and targets

FW Thorpe recognises the need for climate action and emissions reduction. Capitalising on the Group's position as a manufacturer of highly efficient lighting solutions, FW Thorpe has decided to set ambitious near-term and net-zero targets at the Group level. By defining clear targets for reducing greenhouse gas emissions across its operations and supply chain, the Group is demonstrating transparency and accountability.

As such, FW Thorpe is committing to reach net-zero Scope 1, 2 and 3 emissions by 2040, ten years ahead of the UK and EU targets of net-zero by 2050. This means reducing absolute Scope 1, 2 and 3 emissions by 90% by 2040, then offsetting the remaining 10% with high-quality sequestration offsets from 2040 onwards, in line with the SBTi guidance on net-zero. In 2024, FW Thorpe submitted targets to SBTi, and these targets were validated in June 2024. Progress against these targets can be found in Table 4 and Figures 1 and 2.

While the near-term target for Scope 1 and 2 (market-based) emissions is a 57.5% reduction by 2030, the Group has set a less ambitious goal of a 25% reduction for Scope 3 emissions within the same timeframe. The variation in near-term targets across different scopes is primarily due to the distinct nature of emissions within each category. Scope 1 emissions, directly from owned or controlled sources, offer greater control and potential for rapid reduction through operational changes and technology adoption. Scope 2 emissions from purchased energy are influenced by factors such as regional energy mix and the availability of renewable energy sources. Scope 3 emissions from value chain activities present a more complex challenge due to their indirect nature and dependence on supply chain partners. Therefore, while the overall ambition for net-zero applies to all Scopes, the pathways to achieving these reductions vary in complexity and timelines.

The data presented in this report has been compiled by FW Thorpe based on internal records and calculations performed by its third-party consultants. While reasonable care has been taken to ensure the accuracy and completeness of the information, it has not been externally verified.

Table 4: Progress against targets

Target	Baseline 2021 Value (Restated)	**2024 Value**	Progress Against Target
Reduce absolute Scope 1 and 2 (market-based) emissions by 57.5% by 2030 from 2021 baseline.	2,856* tCO_2e	**1,831 tCO_2e**	A 35.9% reduction against the baseline year has been achieved. This requires a further 3.6% annual reduction until 2030 to meet this target.
Reduce absolute Scope 3 emissions by 25% by 2030 from 2021 baseline.	320,100* tCO_2e	**211,082 tCO_2e**	A 34.1% reduction against the baseline year has been achieved, meaning this target has been achieved six years ahead of schedule.
Reduce absolute Scope 1 and 2 (market-based) emissions by 90% by 2040 from 2021 baseline.	2,856* tCO_2e	**1,831 tCO_2e**	A 35.9% reduction against the baseline year has been achieved. This requires a further 3.4% annual reduction until 2040 to meet this target.
Reduce absolute Scope 3 emissions by 90% by 2040 from 2021 baseline.	320,100* tCO_2e	**211,082 tCO_2e**	A 34.1% reduction against the baseline year has been achieved. This requires a further 3.5% annual reduction until 2040 to meet this target.
Divert 100% of waste from landfill by 2030 from 2024 baseline	80% landfill diversion rate		An annual 3.3% increase in landfill diversion rate is required until 2030 to meet this target.
Utilise 100% renewable electricity by 2030	3.8%	**87.9%**	A 84.1% increase in renewable electricity consumption has been achieved. An annual increase of 2.2% is needed until 2030 to meet this target.

*These baseline figures have been restated to include SchahlLED. Please see the Carbon Balance Sheet section for further details.

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Figure 1: FW Thorpe Group's Progress against Scope 1 and 2 Targets

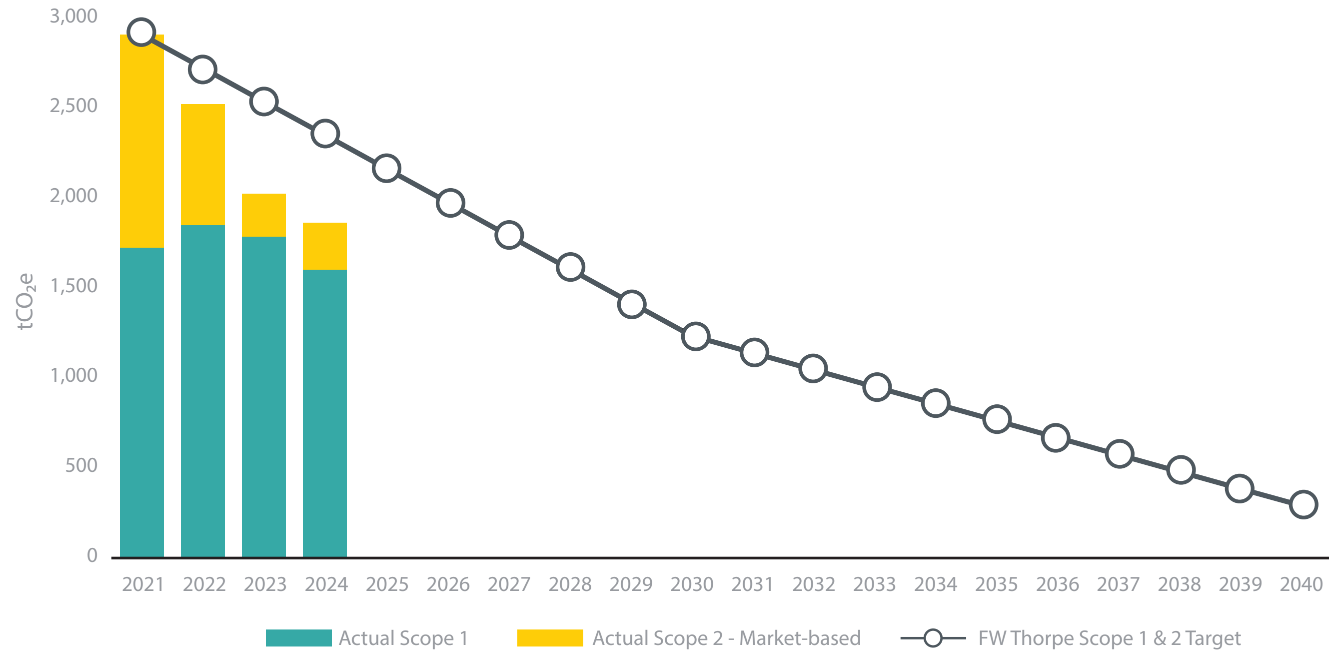
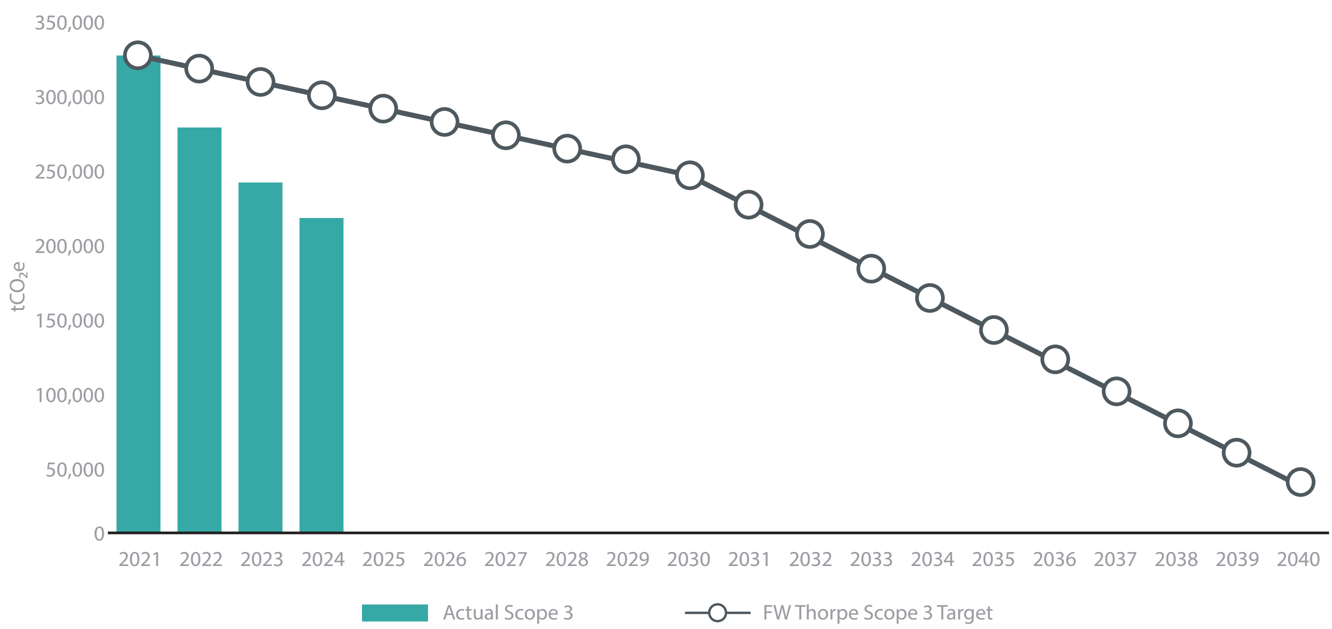


Figure 2: FW Thorpe Group's Progress against Scope 3 Targets



CFD.

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Figure 1: FW Thorpe Group's Progress against Scope 1 and 2 Targets

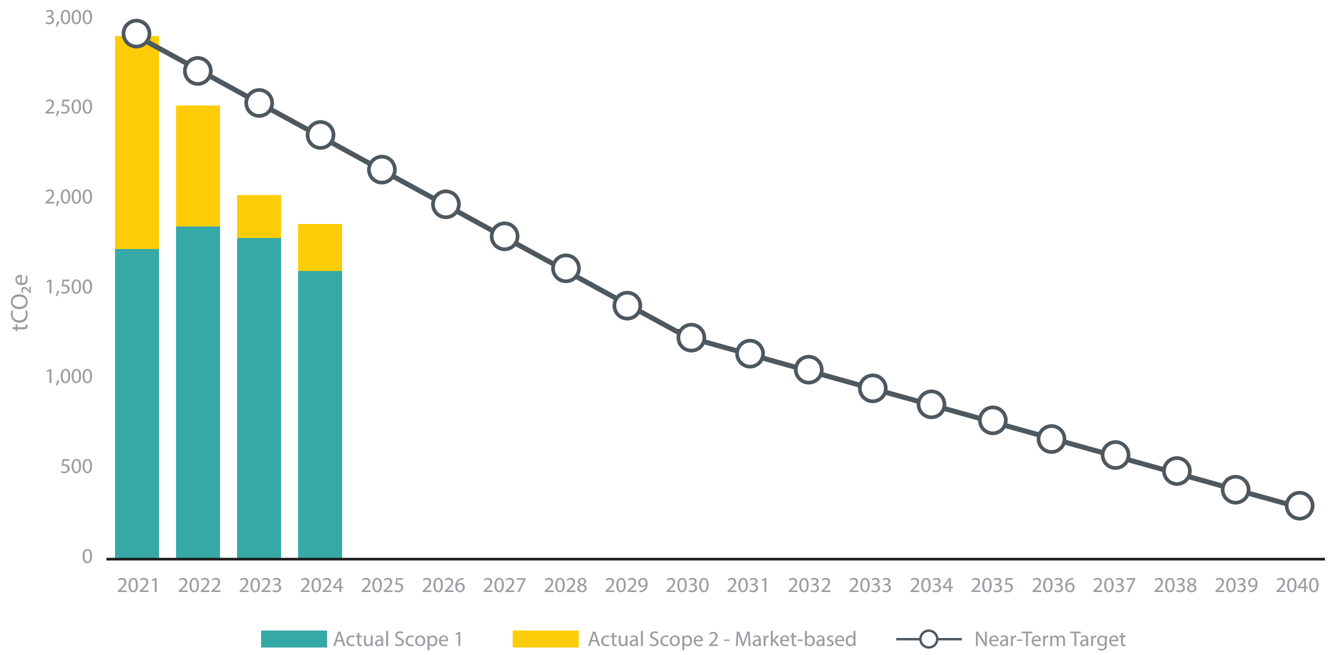
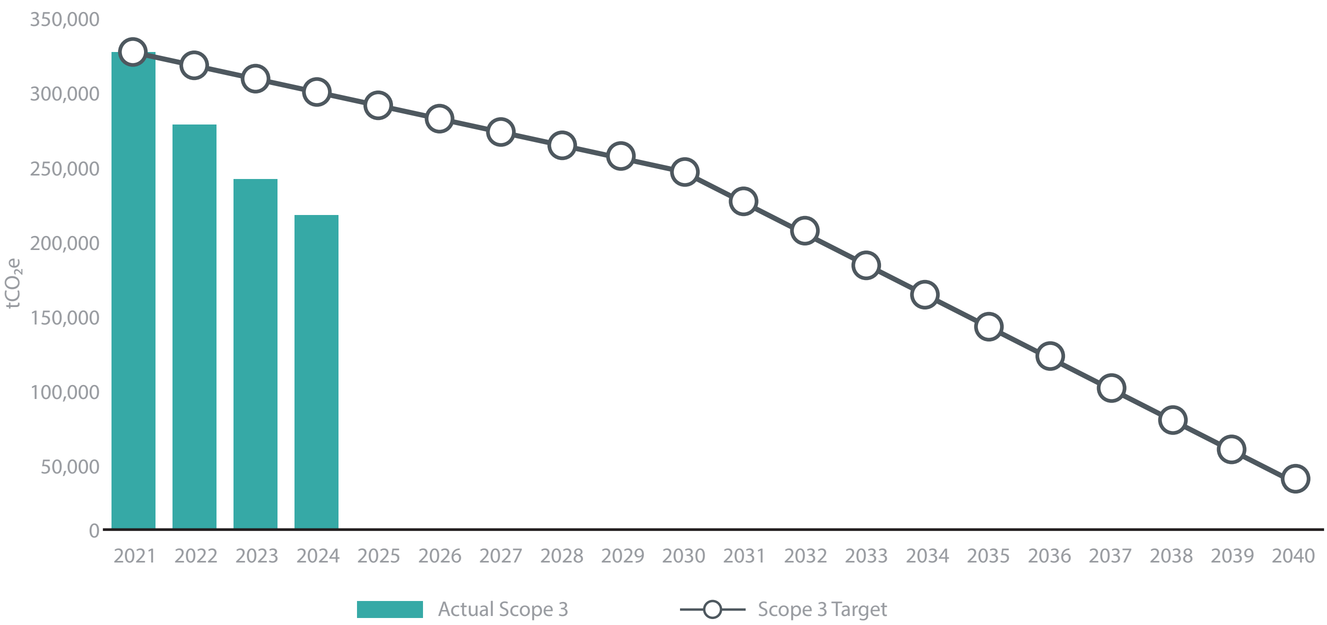


Figure 2: FW Thorpe Group's Progress against Scope 3 Targets



Streamlined Energy and Carbon Reporting (SECR)

Since 2018, the Group has been monitoring and reporting its energy and emissions from its own operations, in line with the UK Government's Streamlined Energy and Carbon Reporting (SECR) policy. The Group's Scope 1 emissions are from the combustion of natural gas and transport fuels in company-owned assets. Scope 2 emissions are from the purchase of electricity, and the use of electricity in company-owned electric vehicles charged offsite. 2023 numbers do not include SchahlLED, as no data was available. However, 2024 contains emissions from SchahlLED. In the 2023 report, the Group was in the process of acquiring SchahlLED, but 2024 is the first year of full data available and is the first year SchahlLED has been included in the SECR reporting.

Table 5: UK and Global Total Energy Consumption (kWh)

	2024 Consumption (kWh)			2023 Consumption (kWh)*		
Utility and Scope	UK	Global (Excluding UK)	**Total**	UK	Global (Excluding UK)	**Total**
Scope 1 Total	**5,808,621**	**1,870,167**	**7,678,788**	**5,796,551**	**1,641,272**	**7,437,823**
Natural gas and Other Fuels	4,078,450	341,124	4,419,574	3,692,331	426,075	4,118,406
Transportation	1,730,171	1,529,043	3,259,214	2,104,220	1,215,197	3,319,417
Scope 2 Total	**3,487,049**	**1,955,904**	**5,442,953**	**3,037,441**	**1,729,212**	**4,766,653**
Grid-Supplied Electricity	1,984,384	1,216,408	3,200,792	2,175,879	1,336,184	3,512,063
Transportation	297,573	112,310	409,883	12,315	63,960	76,275
Self-Generation	1,205,092	627,186	1,832,278	849,247	329,068	1,178,315
Total	**9,295,670**	**3,826,071**	**13,121,741**	**8,833,992**	**3,370,484**	**12,204,476**

*Does not include emissions from SchahlLED.

Table 6: UK and Global Total Market-based Emissions (tCO2e)

	2024 Emissions tCO_2e			2023 Emissions tCO_2e*		
Utility and Scope	UK	Global (Excluding UK)	**Total**	UK	Global (Excluding UK)	**Total**
Scope 1 Total	**1,152.78**	**421.34**	**1,574.12**	**1,176.80**	**382.54**	**1,559.34**
Natural gas and Other Fuels	745.95	62.39	808.34	675.43	77.94	753.37
Transportation	406.83	358.95	765.78	501.37	304.60	805.97
Scope 2 Total	**61.61**	**194.83**	**256.44**	**2.55**	**237.02**	**239.57**
Grid-Supplied Electricity	–	171.58	171.58	–	213.33	213.33
Transportation	61.61	23.25	84.86	2.55	23.69	26.24
Total	**1,214.39**	**616.17**	**1,830.56**	**1,179.35**	**619.56**	**1,798.91**

*Does not include emissions from SchahlLED.

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Table 7: SECR Global Intensity Metrics

	Location-based tCO_2e		Market-based tCO_2e	
Intensity Metrics	**2024**	2023*	**2024**	2023*
Total Revenue (£m)	**175.80**	176.75	**175.80**	176.75
All Scopes tCO_2e per Revenue (£m)	**12.93**	13.20	**10.41**	10.18
YoY Percentage Change (tCO_2e)	-2.0%		+2.3%	

*Does not include emissions from SchahlLED.

Energy efficiency narrative

Over the past few years the Group has made substantial investments in solar panels to generate its own electricity and is now looking at other areas to improving its energy efficiency, in particular how gas usage can be reduced. The biggest usage of gas is in the process of painting its products and the heating of buildings. During the year the Group started a trial of a new powder paint process at one of its production facilities, which if successful, will be rolled out to other paint facilities in the Group. In the near future the Group will also be looking at how it can make further progress to reduce its use of gas for heating and increasing the capacity for solar generation where possible.

Methodology

The Group's Scope 1 and 2 emissions have been developed and calculated using the GHG Protocol – A Corporate Accounting and Reporting Standard; Greenhouse Gas Protocol – Scope 2 Guidance; ISO 14064-1 and ISO 14064-2; Environmental Reporting Guidelines: Including Streamlined Energy and Carbon Reporting Guidance. Government Emissions Factor Database 2023 version 1.0 has been used, utilising the published kWh gross calorific value (CV) and $kgCO_2e$ emissions factors relevant for the reporting period 1 July 2023 to 30 June 2024. All consumption data for FW Thorpe was complete for the reporting period. Therefore, no estimations were required.

Market-based calculations were calculated using an emissions factor of 0.0 $kgCO_2e/kWh$, where 100% renewable electricity was purchased. Where a site was not on a renewable contract, the country's residual grid factor, taken from Carbon Footprint's 2024 publication of global electricity factors, was used.

Carbon balance sheet

The Group began calculating its full Scope 1, 2 and 3 emissions in 2022, using 2021 as the baseline year for future emission reduction targets. Emissions are calculated following the Greenhouse Gas Protocol. All fifteen Scope 3 categories were evaluated to understand the applicability to the business and twelve categories were found to be applicable and have been quantified. The three non-applicable categories are Category 10: Further Processing of Sold Products (only finished products are sold), Category 13: Downstream Leased Assets (no assets leased to others) and Category 14: Franchises (no franchises). In 2024, emissions from SchahlLED were included for the first time. Since this has increased emissions by more than 5%, following the SBTi's recalculation policy, the baseline year (2021) and 2023 emissions have been restated to include SchahlLED. The 2023 Scope 1 and 2 values reported in Table 8 differ from the Scope 1 and 2 values reported in Table 6 since SchahlLED emissions have been included in Table 8 via an estimation based on revenue. Since this method may be inaccurate, these estimates have not been added to the data reported under SECR in Table 6.

The Group's operational emissions (Scope 1 and 2 (market-based)) account for 0.9% of total emissions in 2024. Scope 1 emissions have decreased by 7.1% since the 2021 baseline due to the installation of more efficient equipment and the transition from combustion to electric vehicles, while Scope 2 market-based emissions have decreased by 78.0% due to the installation of Solar PV by subsidiaries and the purchase of 100% renewable electricity contracts. As of 2024, 87.9% of all electricity utilised by the Group is derived from renewable sources. Scope 3 emissions overall have decreased by 34.1% from the baseline, driven predominantly by a 36.9% decrease in Category 11: Use of sold products emissions. This category, relating to the energy usage over the lifetime of all luminaires sold by the Group, is the Group's largest source of emissions. The decrease is due to a mixture of selling increasingly more efficient products and the decarbonisation of electricity grids globally.

Table 8: The Group's Carbon Balance Sheet for 2021, 2023 and 2024

	2024	2023 (restated)*	2021 (baseline) (restated)*	% Change against baseline
Scope 1	**1,574**	**1,753**	**1,694**	**-7.1%**
Scope 2 (Market-based)	**256**	**262**	**1,162**	**-78.0%**
Scope 3	**211,082**	**235,066**	**320,100**	**-34.1%**
1: Purchased Goods and Services	**29,948**	38,109	35,448	-15.5%
2: Capital Goods	**2,254**	2,456	2,033	+10.9%
3: Fuel-related Emissions	**482**	631	611	-21.1%
4: Upstream Transport and Distribution	**1,747**	3,073	1,971	-11.4%
5: Waste Generated in Operations	**112**	111	144	-22.2%
6: Business Travel	**406**	419	494	-17.8%
7: Employee Commuting	**810**	1,175	825	-1.8%
8: Upstream Leased Assets	**245**	307	170	+44.1%
9: Downstream Transport and Distribution	**52**	13	323	-83.9%
10: Further Processing of Sold Products	**–**	–	–	–
11: Use of Sold Products	**171,241**	184,291	271,337	-36.9%
12: End-of-life Treatment of Sold Products	**24**	32	69	-65.2%
13: Downstream Leased Assets	**–**	–	–	–
14: Franchises	**–**	–	–	–
15: Investments	**3,761**	4,449	6,675	-43.7%
Total (Market-based)	**212,912**	**237,081**	**322,956**	**-34.1%**
tCO_2e (market-based)/£m revenue	**1,211**	**1,341**	**2,414**	**-49.8%**

* 2023 and 2021 have been restated to include SchahlLED

People.

Safety

All Group companies maintain certification to the international standard ISO 45001 (Occupational Health and Safety Management) or equivalent. The Group remains committed to cultivating a safe and healthy working environment for all employees, in line with the requirements of the Health and Safety at Work Act.

Employee engagement and wellness

Employees are regularly informed about matters concerning them through company newsletters, notices and specially convened meetings. Committees representing various employee groups meet regularly to ensure employee perspectives are considered in decision-making processes. The Group fosters a culture of idea-sharing and sustainable development through suggestion schemes. Additionally, the FW Thorpe Sustainability Working Group facilitates the sharing and discussion of sustainability ideas. A biannual Group sustainability newsletter is circulated to all employees to provide updates on environmental initiatives. The Group also prioritises employee wellness by offering flexible working models and a fully funded employee assistance programme (EAP), including a 24/7 GP video helpline, to address personal challenges and promote work-life balance.

Recruitment, promotion and retention

The Group ensures full and fair consideration for job vacancies to disabled individuals within the constraints of health and safety regulations. Disabled employees are afforded equal career prospects as other employees, with efforts made to support continued employment and provide necessary training if circumstances change. The Group also maintains a commitment to paying employees above minimum wage rates, offering an annual profit share bonus, and providing access to a pension scheme with contributions from the respective Group company.

Training and development

The Group offers skill and personal development opportunities to all employees and continues to support its apprenticeship scheme. Several senior managers and directors within the Group are former apprentices. Additionally, the Group collaborates with Warwick Business School to develop future leaders.

Sustainability in action

Lean Six Sigma

Several Thorlux employees have passed the Green Belt Lean Six Sigma training course. Lean Six Sigma is a method that relies on a collaborative team effort to improve performance by systematically removing waste and reducing defects or mistakes. Over a dozen lean manufacturing apprenticeships are currently in progress, and the company is also exploring Yellow and Black Belt Lean Six Sigma training.

A Legacy of mentorship and inspiration

Thorlux apprentices past and present joined together to wish Paul Mitchell of Midland Training Services a long and happy retirement. Over the last 23 years, Paul has mentored many aspiring engineers through the company's apprenticeship programme, 42 of whom are currently working in the business, including two managing directors and four directors.

Diversity

The Group upholds principles of equal opportunity, regardless of gender, age, religion, ethnic origin or sexual orientation. Its Modern Slavery Act disclosure is publicly available on the corporate website (www.fwthorpe.co.uk) in the company documents section. The Group remains committed to the highest standards of openness, probity and accountability, as outlined in its Whistleblowing Policy.

Charity

Sustainability in action
Waddle of Worcester

Thorlux was proud to sponsor two penguins in the great Waddle of Worcester in aid of St Richard's Hospice. The Waddle of Worcester saw the city transformed by the arrival of 40 super-sized penguins plus 40 chicks designed by local schools and community groups. The Thorlux penguin was designed by artist Amy Gazeley, and the penguin chick was painted by the children of Astwood Bank Primary School. Both were on display in the city between Monday 22 July and Sunday 15 September, before each large penguin was auctioned to raise funds for the hospice and the chicks headed to their forever homes with schools and groups.

Sustainability in action
Lightronics illuminates Villa Pardoes

Lightronics has contributed to Villa Pardoes, a charitable organisation in Kaatsheuvel that provides Dutch families with seriously ill children (aged 4 to 12) a unique and memorable holiday experience. As Villa Pardoes relies solely on sponsorships and donations, Lightronics supported their mission by donating new lighting for the garden and parking lot, helping to enhance the comfort and safety of the exterior space.

Supporting the community

For over 25 years, Lightronics has provided meaningful employment to individuals from Baanbrekers, the local sheltered workplace in Waalwijk, the Netherlands. These talented individuals meticulously assemble subassemblies for various luminaires, contributing greatly to Lightronics' operations.

Accreditations.

Zemper awarded EcoVadis gold

Zemper has been awarded an EcoVadis gold medal in recognition of its continued commitment to improving sustainability across its business operations. EcoVadis operates an evidence-based online platform providing supplier sustainability ratings and allows companies to assess the environmental, social and governance performance of its global suppliers.

TRT Lighting luminaires DarkSky approved

The TRT Optio Micro was supplied for the Presteigne Dark Skies project, which was awarded 'First IDA Dark Sky Community in Wales and mainland England'.

FW Thorpe has 2040 net-zero goals officially validated

FW Thorpe Plc has had its net-zero target validated by the Science Based Targets initiative (SBTi).

FW Thorpe Plc's ambitious climate target is to achieve net-zero emissions by 2040. The organisation has set credible and robust science-based targets. The SBTi has validated that FW Thorpe Plc's science-based greenhouse gas emissions reduction targets conform to the SBTi Corporate Net-Zero Standard.

Full details of the validated targets can be found on the FW Thorpe website: www.fwthorpe.co.uk/sustainability

Thorlux nominated for Best Corporate Social Responsibility 2023

Thorlux was nominated for Best Corporate Social Responsibility at the 2023 Redditch Business Awards.

Thorlux Lighting and West Midlands Trains (WMT) were highly commended for their LED station lighting project at the 2024 Rail Business Awards, in the Sustainability and Environmental Excellence category. Thorlux has modernised the lighting systems at approximately 150 WMT stations.

The WMT lighting project was also nominated at the CiTTi Awards in the Public Transport section.

SUSTAINABILITY

Governance.

Sustainable management and social responsibility are central to the Group's governance framework. The Board and Group management are tasked with setting the strategic direction for sustainability initiatives, and they oversee the governance and monitoring of sustainable business practices.

The Company's shares are traded on the Alternative Investment Market (AIM) of the London Stock Exchange. Previously, the Company was not required to comply with the Principles of Good Governance and Code of Best Practice (the 'UK Corporate Governance Code', or the 'Code'). Following a change to the AIM rules in 2018, from 28 September 2018 the Company adopted the Quoted Companies Alliance Corporate Governance Guidelines for Smaller Quoted Companies (the 'QCA Code'), which the Board believes appropriate due to the size and complexity of the Company.

It is the Group's policy to conduct all business activities with honesty and ethical integrity. The Group takes a zero tolerance approach to bribery and corruption and is committed to acting professionally, fairly and with integrity in all business dealings and relationships, wherever it operates. FW Thorpe has funded several small-scale projects which have enabled its customers to achieve immediate energy savings and reduce their carbon emissions.

KraussMaffei, Germany

Principal risks and uncertainties.

Risk management process

The Board is responsible for the identification and effective management of risks posed to the Group. Due to the impact certain risks could pose, the Board regularly reviews the likelihood of risks occurring and the potential impact they could have on the business. Detailed below is a list of the principal risks facing the business, and the corresponding actions the Board is currently taking in order to manage them.

The Board
Strategic risk assessment at executive level

Principal risks

Strategic | Operational | Financial

Group companies
Risk assessment at an individual company level

Strategic priorities key

1. Focus on high-quality products and good leadership in technology
2. Continue to grow the customer base for Group companies
3. Focus on manufacturing excellence
4. Continue to develop high quality people

Type of risks key

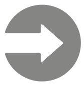
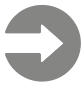
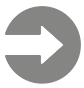
- Strategic
- Operational
- Financial

Change in period key

- Increase in risk
- Decrease in risk
- No change in risk

Area of risk	Type of risk	Description of risk	Mitigation of risk	Possible impact on performance	Strategic priorities impacted upon	Change in period
A **Adverse economic conditions**		Deferred or reduced capital investment plans in market sectors, which our products are supplied into and are key sources of revenue for the Group	• Broad range of customers in differing sectors • High quality, technically advanced products to differentiate the Group from competitors • Energy efficient products with shorter payback periods • Actively seek to identify new opportunities to ensure we maximise our potential of winning new business	**High**	**1, 2, 4**	→
B **Business continuity**		A significant proportion of the Group's revenues are from products manufactured in the Redditch facility	• High level of importance attached to environmental management systems, health and safety and preventative maintenance • Insurance cover is maintained to provide financial protection where appropriate • Increased production flexibility with the ability to build products in more than one manufacturing facility	**High**	**2, 3**	→
C **Price changes**		Erosion of revenue and profitability	• Management reviews prices regularly to take into account fluctuations in costs, in order to minimise the risk of reduction in gross margin, or the loss of market share from a lack of competitiveness	**High**	**1, 2**	→
D **Changes in government legislation or policy**		Reduction in public sector expenditure and changing policy increases risk to our order book Increased complexity of access to EU markets	• Continue to seek to diversify our customer portfolio to ensure we have an appropriate spread, mitigating the risk of any industry or specific sector spending issues • Develop sales in new markets • Leveraging increasing footprint in Europe	**Medium**	**2, 4**	→

Principal risks and uncertainties. continued

Area of risk	Type of risk	Description of risk	Mitigation of risk	Possible impact on performance	Strategic priorities impacted upon	Change in period
E **Impact of conflict on domestic and global economies**		Potential impact on supply chains including increase in certain raw material prices and disruption to some shipping routes. Impact of energy supply price increases.	• Alternative sources for certain materials and alternative shipping routes, albeit with higher costs in some circumstances • Electricity usage has been reduced with implementation of solar panels at the majority of manufacturing sites across the Group	**Medium**	**2, 3**	
F **Competitive environment**		Existing competitors, powerful new entrants and continued evolution of technologies in the lighting industry eroding our revenue and profitability	• Offering innovative products and service solutions that are technologically advanced products to enable us to differentiate ourselves from our competitors • Investing in research and development activities to produce new and evolving product ranges • Investing in new production equipment to ensure we can keep costs low and maintain barriers to new market entrants	**Medium**	**1, 2, 3, 4**	
G **Sustainability & climate -related risk**		The Group has potential exposure to climate-related risk that could impact both its operations and the products it promotes.	• Sustainability targets are set each year for Group companies. • Education of employees to further develop sustainability and climate-related understanding, evolving knowledge of the related risks. • Targeted reduction of total GHG emissions, reducing the impact of its operations.	**Medium**	**2, 4**	
H **Cyber security**		A breach of IT security could result in the inability to operate systems effectively and efficiently or the release of inappropriate information	• Continual review and monitoring of potential risks • Computers encrypted where necessary to protect data • Cyber security awareness training continues to be delivered to employees • Third party specialists engaged to provide enhanced support and advice • Critical applications protected by multi-factor authentication and all connectivity is through the Virtual Private Network (VPN)	**Medium**	**1, 3, 4**	

Area of risk	Type of risk	Description of risk	Mitigation of risk	Possible impact on performance	Strategic priorities impacted upon	Change in period
I **Exit from the European Union**		Increased complexity of access to EU markets, customers in certain EU territories actively moving business from UK companies.	• With the Group having a manufacturing presence in two EU countries, the Netherlands and Spain, this leaves us ideally placed to react to any negative trade barriers that may be imposed on the UK • Continue to develop closer working relationship with these entities, sharing product development, market knowledge and operational expertise to ensure we have the flexibility to adapt to any changes in the future • Creation of legal entity in Republic of Ireland to route all EU business in the future to ease the process of customers trading with us	**Medium**	**2, 4**	
J **Credit risk**		The Group offers credit terms which carry risk of slow payment and default	• Credit policy includes an assessment of the bad debt risk and management of higher risk customers • The Group maintains a credit insurance policy for a significant proportion of its debtors	**Low**	**2**	
K **Movements in currency exchange**		The Group is exposed to transaction and translation risks. With some natural hedging in EUR this risk is primarily with changes in the GBP:USD rates	• The Group has increased its sourcing of materials to maintain a natural hedge to offset its currency risk from EUR receivables, whilst at the same time buying EUR and USD when the exchange rate is favourable, compared to our operational rates, to minimise the risk	**Low**	**2**	

Strategic priorities key

1. Focus on high-quality products and good leadership in technology
2. Continue to grow the customer base for Group companies
3. Focus on manufacturing excellence
4. Continue to develop high-quality people

Type of risks key

- Strategic
- Operational
- Financial

Change in period key

- Increase in risk
- Decrease in risk
- No change in risk

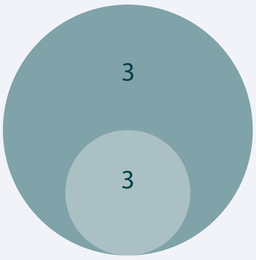
University Station, Birmingham, UK

Thorlux Lighting and West Midlands Trains were highly commended for their overall LED station lighting project at the 2024 Rail Business Awards.

Our Governance.

Board of Directors.

The Board in numbers



Committee key

Chair of Committee

R Remuneration Committee

A Audit and Risk Committee

Mike Allcock

Non-Executive Chairman

Appointment/background:

Mike joined FW Thorpe Plc in 1984 as an apprentice working his way to Technical Director for Thorlux Lighting in 1998, taking responsibility for the Company's design programme. He was appointed Group Technical Director in 2001 and became Managing Director of Thorlux Lighting in 2003. Mike is a Chartered Electrical Engineer and a Fellow of the Institution of Engineering and Technology. He is passionate about developing innovative, high technology, market leading products. He became Joint Group Chief Executive of FW Thorpe in 2010, a position he held until July 2024, and Chairman in July 2017.

Key areas of expertise/ responsibility:

Lighting & Controls Technology, Product Design/Management, Industry Knowledge, Marketing, Strategy

R A

Craig Muncaster

Chief Executive, Group Financial Director and Company Secretary

Appointment/background:

After graduating in Business Administration, Craig qualified as a Chartered Management Accountant in 2000. He has spent time in the manufacturing and engineering sectors, previously as UK Financial Director for Durr, which included a number of overseas ventures and projects for the wider Group. He joined FW Thorpe in 2010 and was appointed Joint Group Chief Executive in July 2017 and Group Chief Executive in July 2024.

Key areas of expertise/ responsibility:

Financial Management, Commercial/Legal Risk, Investor Relations, Mergers & Acquisitions, Company Secretarial

James Thorpe

Joint Managing Director, Thorlux Lighting

Appointment/background:

James graduated from Swansea University with a BSc in 2000. He spent 13 years in the IT industry, involved in a variety of public and private sector contracts before joining FW Thorpe in 2013. During his time as Business Development Manager at Thorlux, he has been responsible for securing a number of high profile projects which have contributed to the growth of revenue derived from the healthcare sector. James is the great grandson of the Company founder and was appointed as a director in July 2017. In July 2024 James was also appointed Joint Managing Director of the Thorlux business.

Key areas of expertise/ responsibility:

Sales & Marketing, Business Development, Digital Marketing

Andrew Thorpe

Non-Executive Director

Appointment/background:

Andrew is the grandson of the Company founder, Frederick William Thorpe. After serving an apprenticeship with the Company, he has worked in various parts of the business, leading to the positions of Export Sales Director, Manufacturing Director and then Managing Director of Thorlux Lighting. In 2000, he became Joint Group Chief Executive and in 2003 Group Chairman, positions he held until July 2017. In July 2019 Andrew became a non-executive director and member of the remuneration committee.

Key areas of expertise/responsibility:

Manufacturing, Product Design/Management, Sales & Marketing, Industry Knowledge, Strategy, Governance

R

Ian Thorpe

Non-Executive Director

Appointment/background:

Ian, grandson of the Company founder, was Manufacturing Director of Thorlux Lighting from 1978 until 1993 when he became Personnel Director. He became a non-executive director on 1 October 1997 and is a member of the remuneration committee.

Key areas of expertise/responsibility:

Manufacturing, Human Resources, Governance, Industry Knowledge

R

Frans Haafkens

Non-Executive Director

Appointment/background:

Frans holds a Master's degree in Mechanical & Control Engineering and an MBA. He is Managing Partner at Dutch investment firm i4hi, a company having direct investments in manufacturing and technology businesses. He spent his formative years with McKinsey & Co. as well as working for a short period in the UK lighting industry.

Frans is a Dutch national who has worked with the Group in recent years supporting the continued success of its Dutch entities, Lightronics and Famostar, both as a consultant and an investor.

Key areas of expertise/responsibility:

Mergers & Acquisitions, Business Management, Industry Knowledge, Strategy

R A

Corporate governance.

Thorpe (F.W.) Plc

The Company's shares are traded on the Alternative Investment Market (AIM) of the London Stock Exchange Plc.

Following a change to the AIM rules in 2018, from 28 September 2018, the Company has adopted the Quoted Companies Alliance's "Corporate Governance Guidelines for Smaller Quoted Companies" (the QCA Code) which the Board believes is appropriate due to the size and complexity of the Company. In November 2023 the QCA published an updated version of the QCA Code.

The 2023 QCA Code retains the ten principles from the 2018 version, however, it also includes updates to reflect certain areas of growing importance for shareholders, such as climate change, remuneration of directors and employees as well as the need for diversity and independence at Board level.

Whilst the 2023 QCA Code will apply to financial years starting after 1 April 2024, the Company has decided to adopt these principles where practical now, which includes the formation of an audit and risk committee.

There are ten principles of the QCA Code and the following table sets out in broad terms how we comply at this point in time.

Principle 2023 (2018)	Extent of current compliance	Commentary	Further disclosure
1 **Establish a purpose, strategy and business model which promote long-term value for shareholders**	**Compliant**	The Group's purpose and business strategy is detailed in our Annual Report & Accounts. Our purpose is to provide technically advanced lighting solutions that deliver long-term lowest cost of ownership. Our focus is on delivering long-term growth and stability, achieved through four key strategic priorities: • Focus on high quality products and good leadership in technology • Continue to grow the customer base for Group companies • Focus on manufacturing excellence • Continue to develop high quality people	Find out more in the **Strategic Report** on pages 16 to 83 Read about our **Strategy** on pages 26 and 27 Read about our **Business model** on pages 24 and 25
2 (8) **Promote a corporate culture that is based on ethical values and behaviours**	**Compliant**	Our core aim is for long-term growth and stability. The Group management team is passionate about developing the business for the benefit of the shareholders, employees and customers. With our focus on excellence, we ensure our Group's culture is consistent with the aim of long term growth and stability. In order to achieve and maintain such a culture, we invest in the training and education of our employees, as mentioned in the Annual Report and Accounts.	Find out more in the **Strategic Report** on pages 16 to 83 Read about our **Strategy** on pages 26 and 27

Principle 2023 (2018)	Extent of current compliance	Commentary	Further disclosure
3 (2) **Seek to understand and meet shareholders' needs and expectations**	**Compliant**	Meetings are held with shareholders as required; this includes visits to our various company locations being organised and encouraged where possible. In addition, all announcements include contact details for shareholders to contact the Company if they so choose. The AGM is another forum for dialogue with our shareholders. The Notice of Meeting is sent to shareholders at least 21 days before the meeting. Any feedback during these meetings is encouraged and acted upon where appropriate.	Find out more in the **Directors' report** on pages 94 to 96
4 (3) **Take into account wider stakeholder interests, including social and environmental responsibilities, and their implications for long-term success**	**Compliant**	Feedback from employees, customers, suppliers and other stakeholders is actively encouraged. Our employees are an important stakeholder group and we actively encourage dialogue with the Company via various employee committees within our companies. Reports from these meetings are distributed to the Board.	Find out more in the **Strategic Report** on pages 16 to 83 and in our **Sustainability section** on pages 52 to 79
5 (4) **Embed effective risk management, internal controls and assurance activities, considering both opportunities and threats, throughout the organisation**	**Compliant**	The Board operates a continuous risk identification and evaluation process. The results are utilised by the Board to manage any significant risks. In addition, the executive directors regularly visit all operating sites and review financial, commercial and operational issues with an executive director responsible for each individual company. The Board has overall responsibility for the system of internal control and for reviewing its effectiveness throughout the Group. Internal financial control is driven by the Group finance team who visits each company to assess compliance against key controls. This includes regular financial reporting that is compared against targets and previous year's performance.	Find out more about our **Principal risk and uncertainties** on pages 80 to 83 and in our **Directors' report** on pages 94 to 96

Corporate governance. continued

Principle 2023 (2018)	Extent of current compliance	Commentary	Further disclosure
6 (5) **Establish and maintain the Board as a well-functioning, balanced team led by the Chair**	**Partially Compliant**	Total of six directors, two executive directors and four non-executive directors. Three non-executives are not considered fully independent, one is independent. The Board considers that the non-executive directors are appropriate as they bring significant experience and expertise in the sector. In addition, as the directors retire on a three-year rotation, shareholders have a regular opportunity to ensure that the composition of the Board is in line with their interests. There is a Remuneration Committee and the Audit & Risk Committee has been established, with matters that would normally be tabled at an Audit & Risk Committee put to the full Board. Partial compliance is due to level of independent directors and diversity on the board.	Find out more in **Our governance** on pages 86 to 107 Read about our **Board of directors** on pages 86 and 87 Read our **Directors' report** on pages 94 to 96
7 (6+9) **Maintain appropriate governance structures and ensure that, individually and collectively, directors have the necessary up-to-date experience, skills and capabilities**	**Compliant**	The current composition of the Board provides the necessary skills, experience and capabilities for the size and context of the Group. The composition and succession of the Board are subject to review, considering the future needs of the Group. The Board as a whole is responsible for robust governance practices. The roles and responsibilities of each director are clear and responsibilities understood. The Board meets at least five times each year, with additional meetings as required.	Find out more in **Our governance** on pages 86 to 107 Read about our **Board of directors** on pages 86 and 87 Read our **Directors' report** on pages 94 to 96
8 (7) **Evaluate Board performance based on clear and relevant objectives, seeking continuous improvement**	**Partially Compliant**	There is no formal evaluation process; however, the Chairman is responsible for Board performance and accordingly actively encourages feedback on the content and function of board meetings. The composition and succession of the Board are subject to constant review, considering the ever-changing needs of the Group. In addition, the directors retire by rotation every two years giving shareholders the opportunity to ensure that the Board is aligned with their interests. Partial compliance is due to no formal evaluation process and that directors are not re-elected every year.	

Principle 2023 (2018)	Extent of current compliance	Commentary	Further disclosure
9 (new) **Establish a remuneration policy which is supportive of long-term value creation and the company's purpose, strategy and culture**	**Partially Compliant**	Reflects the QCA's Remuneration Committee Guide. Remuneration has a mixture of annual and long term incentives aligned with the shareholders. Basic salary reflects responsibilities and annual bonus recognises performance. LTIP reflects ongoing annual performance, total shareholder return over 5 years and progress towards sustainability goals over the same period. Remuneration is benchmarked using independent advisors. Partial compliance is due to level of independent directors on the remuneration committee.	Find out more in the **Directors' Remuneration report** on pages 98 to 101
10 **Communicate how the company is governed and is performing by maintaining a dialogue with shareholders and other relevant stakeholders**	**Compliant**	The Company communicates through the Annual Report and Accounts, full-year and interim announcements, the AGM and one-to-one meetings with existing or potential shareholders. A range of corporate information is also available on the Company's website. Meetings with shareholders, employee groups, management and other representative groups provide a platform for raising any concerns relating to corporate governance.	Find out more online at: **www.fwthorpe.co.uk**

The Board considers that the Company applies the principles of best practice with the exception of the matters listed below:

- The Board does not have a nominations committee as per principle 8.
- There is no formal evaluation process of Board performance as per principle 8.

The Board believes that the exceptions, which are more fully explained in the sections relating to the Board constitution and the Directors' Remuneration Report, are appropriate for the size and context of the Group.

Corporate governance. continued

Introduction to the Audit & Risk Committee

The Audit & Risk Committee has now been formally established. The current members are:

F Haafkens (Chairman)

M Allcock

Key responsibilities and terms of reference:

- Monitor the integrity, clarity and completeness of the financial statements, the interim report and any other announcements relating to the Group's financial performance or position
- Review and challenge, where necessary, the appropriateness of accounting policies and key accounting judgements
- Keep under review the adequacy and effectiveness of the Group's internal control and risk management systems
- Review the policies and process for identifying and assessing business risks and managing their impact on the Group
- Ensure that the Group has adequate whistleblowing policies and procedures
- Review the effectiveness and independence of the external auditor and agree its remuneration and make recommendations to the Board in respect of its appointment

The role of the Audit and Risk Committee is to protect the interests of shareholders by ensuring the integrity of the Group's financial reporting and by monitoring the ongoing effectiveness of the Group's internal controls.

The Committee is appointed by the Board, comprises an independent Non-executive Director and provides independent monitoring, guidance and challenge to the Executive Directors. The Audit and Risk Committee report sets out the responsibilities of the Committee, its structure and any work undertaken during the year.

Responsibilities and terms of reference

The terms of reference are approved by the Board. The principal responsibilities of the Committee are set out in this report.

Committee composition

The Audit and Risk Committee consists of Non-executive Directors and is chaired by F Haafkens, Independent Non-executive Director with relevant financial experience. The Board believes that the members have sufficient skills and experience to perform their duties in accordance with the Committee's terms of reference and has competence in the sector within which the Group operates.

Summary of activity

The Audit and Risk Committee was established in 2024, but has yet to formally meet separately to Group Board meetings. The Chief Executive and the Group Financial Director will Committee meetings by invitation to ensure that the Committee is fully informed of material matters within the Group. The external auditor will also attend meetings.

The main activities of the Committee are as follows:

- review the Group's financial statements and preliminary results announcements including consideration of significant financial reporting issues and matters of judgement contained within;
- review the content of the Annual Report and Accounts to ensure it provides the information necessary for shareholders to assess the Group's financial position and performance;
- monitor and review the Group's internal control and risk management systems; and
- consider the external auditor's audit plan, scope and coverage of audit work, independence, and agree the audit fee.

Significant financial reporting risks and judgement areas considered

The following judgement areas and significant estimates were considered by the Committee in the review and approval of the 2023/24 financial statements:

- Valuation of future consideration payable for acquisitions
- Impairment of goodwill/investment in subsidiaries
- Warranty provisions

Risk management and internal control

The Committee has undertaken a review of the Group's financial, operational and compliance controls and is satisfied that these remain appropriate for the Group.

At least twice a year an internal financial review is carried out to assess the processes and procedures used by the Group companies financial management. Senior members of the Group finance team perform this work and any findings are feedback the local management teams and Audit and Risk Committee as required.

Fees of external auditor

During the financial year, the Group external auditor's fees were £538,000 (2023: £374,000). The Committee confirms that no non-audit services were undertaken by the Group's auditor in the period.

Whistleblowing policy

During the year the Group reviewed its whistleblowing policy to ensure any fraud, misconduct or wrongdoing by employees or officers of FW Thorpe companies is reported and appropriately dealt with. The policy clearly sets out the procedure and protection for whistle-blowers.

2024 and beyond

We are committed to providing oversight to the Group's reporting and control processes. In 2024/25, the Committee will continue to focus on risk management and the control environment, cyber risk and sustainability reporting.

Summary

As the Committee in newly established, the terms of reference have been established. In the future, the Committee will look to commit that it has acted in accordance with its terms of reference and has ensured the independence and objectivity of the external auditors.

Directors' report.

The directors present their Directors' report with the audited consolidated financial statements of the Group and the Company for the financial year ended 30 June 2024.

Principal activity

The main activity of the Group continues to be the design, manufacture and supply of professional lighting equipment.

Each company within the Group operates in a different market of the lighting sector.

Business review

The trading results for the year are set out in the Consolidated Income Statement on page 110 and the Group's financial position at the end of the year is set out in the Consolidated and Company Statements of Financial Position on page 112. A review of the performance of the business during the financial year and expected future developments are contained in the Chairman's Statement, the Operational Performance section and the Financial Performance section which form part of the Strategic Report.

Key performance indicators

The directors consider the main financial key performance indicators (KPIs) to be those disclosed on page 37 (financial highlights). The two most important KPIs to the business are revenue and operating profit.

The directors monitor non-financial areas of the business relating to energy saving and environmental responsibility, market and product development, customer service and product support on a regular basis.

Objectives are set for each company within the Group incorporating financial and non-financial targets which have appropriate measurements that reflect their nature. These are monitored regularly at local and Group Board level. During the year a number of objectives were achieved.

Principal risks and uncertainties

The table on pages 80 to 83 details what we consider to be the principal risks and uncertainties to the business, and how we seek to manage and mitigate these risks.

The Group has financial risks and seeks to minimise and manage these by incorporating controls into key functions as part of the normal business operation.

Details of other risk management procedures are included within the internal control section of this report and in the financial risk section within the accounting policies (note 1).

Internal control

The Board of directors has overall responsibility for the system of internal control and for reviewing its effectiveness throughout the Group. The internal control systems are designed to meet the Group's particular needs and the risks to which it is exposed, and by their nature can only provide reasonable but not absolute assurance against misstatement or loss.

The directors have responsibility for maintaining a system of internal control which provides reasonable assurance of the effective and efficient operations, internal financial control and compliance with laws and regulations.

Other areas of control

During the year and continuing after the year end, the Board has operated a formal risk identification and evaluation process as part of a continuous review of the Group's internal controls. This process considers financial, operational and compliance risks and includes participation from senior executives from all operating subsidiaries. The results of this process to date have been utilised by the Board to focus the ongoing process for identifying, evaluating and managing the Group's significant risks. The programme is utilised to monitor the potential impact of the risks identified and, where appropriate, actions are taken to ensure they are effectively controlled. This process is extended to include a detailed review of risk, as assessed by local senior executives, and procedures have been established to ensure that the Group Board is made aware of any additional significant risks identified and to consider appropriate action. This process culminated in the provision of a certificate, by senior executives at the operating sites, confirming that they have identified and addressed the risks arising in their business and reported them to the Group Board accordingly.

Proposed dividend

Details of the proposed dividend are disclosed in the Financial Performance section on pages 48 and 49.

Directors

The directors of the Company at the date of this report are set out on pages 86 and 87. The directors of the Company who served during the year are the directors set out on pages 86 and 87, and P D Mason, who resigned on the 18 January 2024. D Taylor and A M Cooper both resigned on 3 July 2023.

The directors retiring by rotation are I A Thorpe, A B Thorpe and J E Thorpe, who, being eligible, offer themselves for re-election. J E Thorpe has a service contract terminable on 12 months' notice.

Directors' share interests

The details of the directors' share interests are set out in the directors' remuneration report on page 100.

Directors' indemnities

As permitted by the Articles of Association, the directors have the benefit of an indemnity which is a qualifying third party indemnity provision as defined by section 234 of the Companies Act 2006. The indemnity was in force throughout the financial year and also at the date of approval of the financial statements. The Company also purchased and maintained throughout the financial year directors' and officers' liability insurance in respect of itself and its directors.

Board constitution

The Company continues to be proprietorial in nature and the directors act as a unitary Board. During the year the Company has established an audit and risk committee. There is no nomination committee as matters that would normally be considered by a nomination committee are addressed by the full Board with the non-executive directors present.

The Company also has a remuneration committee, whose report is presented on pages 98 to 101.

Where there is a requirement for a senior personnel or subsidiary board appointment a sub-committee is formed. Any appointment to the Group Board would involve all Board members in the selection process.

The Board meets regularly during the year and has a schedule of matters reserved for its approval, which only the Board may change.

Substantial shareholdings

At 3 October 2024, the Company had received notification of the following interests in 3% or more of the issued share capital, excluding holdings of directors:

Liontrust Investment Partners LLP

6,723,667 (5.7%)

Estate of C M Brangwin

7,271.550 (6.2%)

Directors substantial shareholdings are shown on page 100.

Relations with shareholders

Directors are kept informed of the views of shareholders by face-to-face contact at the Company's premises on the day of the Annual General Meeting where possible and, if appropriate, by meeting with major shareholders at other times during the year. See Notice of Meeting – AGM 2024.

Stakeholder Engagement

Please see pages 50 to 51 and 76 to 77 for details of the Company's engagement with its employees, customers and suppliers.

Directors' authority to issue shares

In previous years, at the Annual General Meeting, shareholders have been asked to pass resolutions to authorise the directors to allot shares for cash or to grant rights to subscribe for, or to convert any security into, shares in the Company and to allow them to do so (and also to sell treasury shares) in certain circumstances without first offering the shares in question to existing shareholders.

As the directors have no intention of exercising these authorities, there will be no resolution to grant these powers at the forthcoming Annual General Meeting.

This will not, however, prevent shares from being allotted or treasury shares being sold to individuals who exercise options under any share option scheme of the Company.

Purchase of own shares

Resolution number 9 set out in the notice of the Annual General Meeting will, if it is approved, allow the Company to exercise the authority contained in the Articles of Association to purchase its own shares. The Board has no firm intention that the Company should make purchases of its own shares if the proposed authority becomes effective, but would like to be able to act quickly if circumstances arise in which such a purchase would be desirable.

Purchases will only be made on the Alternative Investment Market and only in circumstances where the directors believe that they are in the best interests of the shareholders generally. Furthermore, purchases will only be made if the directors believe that they would result in an increase in earnings per share.

The proposed authority will be limited by the terms of the special resolution to the purchase of 11,893,559 ordinary shares representing 10% of the Company's issued ordinary share capital at 3 October 2024 and a nominal value of £118,936.

Directors' report. continued

The minimum price per ordinary share payable by the Company (exclusive of expenses) will be 1p. The maximum to be paid will be an amount not more than 5% above the average of the middle market quotations for ordinary shares of the Company as derived from the Alternative Investment Market on the five business days immediately preceding the date of each purchase. The Company may either cancel any shares which it purchases under this authority or transfer them into treasury, and subsequently sell or transfer them out of treasury or cancel them.

The maximum number of shares and the permitted price range are stated in order to comply with statutory and Stock Exchange requirements and should not be taken as representative of the number of shares (if any) which may be purchased, or the terms of such a purchase.

The authority will lapse on the date of the Annual General Meeting of the Company in 2025. However, in order to maintain the Board's flexibility of action it is envisaged that it will be renewed at future Annual General Meetings.

Statement on the provision of information to independent auditors

The auditors have direct access to all members of the audit and risk committee and attend and present their reports at appropriate Board meetings. The Board considers, at least annually, the relationships and fees in place with the auditors to confirm their independence is maintained.

Independent auditors

The auditors, PricewaterhouseCoopers LLP, have expressed their willingness to continue in office and a resolution for their reappointment will be proposed at the next Annual General Meeting.

Going concern

The directors confirm they are satisfied that the Group and Company have adequate resources, with £33.9m cash to continue in business for the foreseeable future, including the effect of increased costs caused by the on-going conflict zones, where the Group has no sales, and other global events. They have also produced an analysis that demonstrates that the Group could cover its cash commitments even if there was a significant reduction in sales over the following year from approving these accounts. For this reason, they continue to adopt the going concern basis in preparing the accounts.

Approval of strategic and directors' reports

The directors confirm that the information contained within the Strategic Report on pages 16 to 83 and the Directors' Report on pages 94 to 96 is an accurate representation of the Group's strategy and performance.

By order of the Board

Craig Muncaster
Chief Executive,
Group Financial Director and
Company Secretary

3 October 2024

Registered Office:
Merse Road
North Moons Moat
Redditch
Worcestershire
B98 9HH

Company Registration Number: 317886

Statement of directors' responsibilities.

The directors are responsible for preparing the Annual report and accounts and the financial statements in accordance with applicable law and regulation.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have prepared the group and the company financial statements in accordance with UK-adopted international accounting standards.

Under company law, directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the group and company and of the profit or loss of the group for that period. In preparing the financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- state whether applicable UK-adopted international accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- make judgements and accounting estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the group and company will continue in business.

The directors are responsible for safeguarding the assets of the group and company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The directors are also responsible for keeping adequate accounting records that are sufficient to show and explain the group's and company's transactions and disclose with reasonable accuracy at any time the financial position of the group and company and enable them to ensure that the financial statements comply with the Companies Act 2006.

The directors are responsible for the maintenance and integrity of the company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Directors' confirmations

In the case of each director in office at the date the directors' report is approved:

- so far as the director is aware, there is no relevant audit information of which the group's and company's auditors are unaware; and
- they have taken all the steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the group's and company's auditors are aware of that information.

By order of the Board

Craig Muncaster
Chief Executive, Group Financial Director and Company Secretary

3 October 2024

Directors' remuneration report.

The Board has prepared this report to the shareholders, taking into account sections 420 to 422 of the Companies Act 2006.

The Board has delegated the responsibility for the executive directors' remuneration to the Remuneration Committee. The scope of their responsibilities includes the executive directors' service contracts, salaries and other benefits, which comprise their terms and conditions of employment.

Remuneration Committee

The current members of the Remuneration Committee are the non-executive directors M Allcock (Chairman of the Committee), I A Thorpe, A B Thorpe, and F Haafkens.

The Committee has met as and when required during the financial year. No member of the Committee has any personal financial interest in the matters to be decided other than as shareholders. There are no conflicts of interest arising from cross-directorships or day-to-day involvement in running the business. The Committee has access to market data when considering the remuneration of the executive directors.

Remuneration policy

Executive Directors

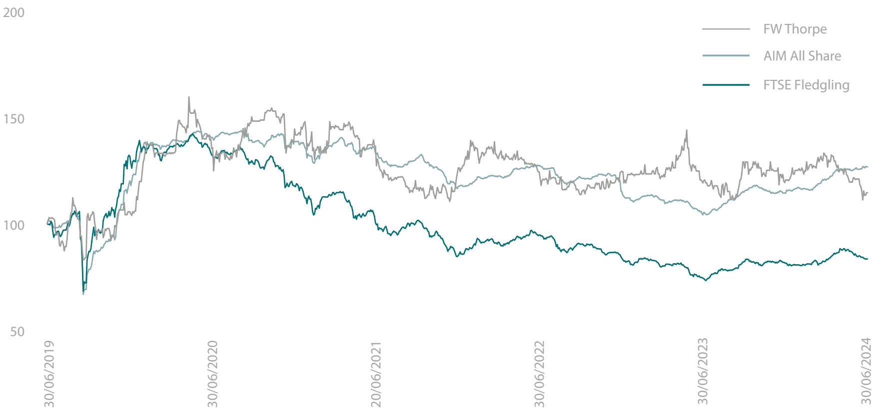
The aim of the Committee is to ensure that the executive directors are fairly rewarded for their responsibilities and contribution to the performance of the Group. The Committee seeks to achieve this with a combination of performance and non-performance related remuneration designed to attract, retain and motivate the directors.

In establishing the salaries of the directors, the Committee takes into account the responsibilities and performance of the individual together with data from comparable organisations and indicative trends for the business and its economic sector.

Performance graph

The graph below shows the comparative data for the FTSE AIM share index and the FTSE Fledgling share index, rebased to 100, as these are considered to be the most appropriate comparative indices for the Company's business.

Total shareholder return



The remuneration package consists of the following elements:

1. Basic salary, benefits in kind and other benefits. The salary is determined in July each year, unless there has been a change in responsibilities, where an adjustment will be made at the same time. The benefits in kind mainly consist of the provision of a car and health insurance. A director may choose to take a cash allowance instead of a car. Other benefits consist of pension arrangements and life assurance.
2. Annual bonus. The bonus is derived from the operating profit of the Group and the specific responsibilities of the executive director. The bonuses are paid in September and relate to the period ending on 30 June in the same year.
3. Long term incentive scheme. This scheme consists of the "Executive Share Ownership Plan" (ESOP) details of which are shown on page 101.

Non-Executive Directors

The Board as a whole determines the remuneration of the non-executive directors. The Board takes into account the contribution made and the relative time spent on the Company's affairs. The non-executive directors do not receive bonuses. Their benefits in kind consist of the provision of health insurance.

Directors' service contracts

C Muncaster and J E Thorpe have service contracts terminable on one year's notice. A B Thorpe, I A Thorpe, F Haafkens and M Allcock do not have formal service contracts with the Company.

Directors' emoluments (audited)

Executive directors	2024 Salary/ fees £'000	2024 Bonus £'000	2024 Benefits £'000	2024 Total £'000	2023 Total £'000	2024 Share options gains £'000	2023 Share options gains £'000	2024 Total £'000	2023 Total £'000
M Allcock	288	384	3	675	599	40	45	715	644
C Muncaster	320	367	3	690	629	90	45	780	674
J E Thorpe	196	322	3	521	482	–	–	521	482
D Taylor	–	–	–	–	274	–	–	–	274
Non–executive directors									
A B Thorpe	38	–	15	53	51	–	205	53	256
I A Thorpe	38	–	15	53	51	–	–	53	51
P D Mason	29	–	4	33	42	–	–	33	42
F Haafkens	62	–	–	62	63	–	–	62	63
A M Cooper	–	–	–	–	50	–	–	–	50
	971	1,073	43	2,087	2,241	130	295	2,217	2,536

The directors emoluments exclude contributions to the pension scheme. D Taylor and A M Cooper resigned from the board on 3 July 2023 and P D Mason resigned from the board on 18 January 2024.

Directors' pension arrangements (audited)

J E Thorpe is a deferred member of the defined contribution section of the FW Thorpe Retirement Benefits Scheme.

I A Thorpe, A B Thorpe and M Allcock are retired members of the defined benefit section.

The FW Thorpe Retirement Benefits Scheme is a funded, HMRC approved occupational pension scheme. The scheme is divided into two sections – a defined benefit scheme and a defined contribution scheme. The defined benefit section was closed to new members on 1 October 1995.

The defined benefit section aims to provide a maximum pension of two-thirds of pensionable salary at normal retirement date.

M Allcock and J E Thorpe have ceased being active members of the FW Thorpe Retirement Benefits Scheme and C Muncaster has ceased being an active member of his personal pension scheme due to HMRC limits on lifetime allowances and annual contributions. Subsequently the Company has entered into pension compensation arrangements with these three directors to compensate them for the loss of these employer pension contributions. During the financial year the Company paid pension compensation to M Allcock of £194,901 (2023: £180,953), C Muncaster £54,359 (2023: £51,770) to J E Thorpe £33,317 (2023: £23,150).

All the executive directors are covered by life assurance benefit of four times pensionable salary. In addition, the defined benefit scheme members are entitled to a spouse's pension on death.

Directors' remuneration report. continued

There are no directors, excluding those classified as pensioners, having accrued entitlements under the defined benefit section of the pension scheme.

The following table shows the contributions paid by the Company in respect of those directors participating in the defined contribution section of the pension scheme.

	2024 £'000	2023 £'000
J E Thorpe	–	9

CEO pay ratio

FW Thorpe being a UK listed company with more than 250 employees is required to disclose annually the ratio of the CEO'S pay to the lower quartile, median and upper quartile pay of their UK employees. These details are shown in the table below.

Year	Method	25th percentile pay ratio	Median pay ratio	75th percentile pay ratio
2023–24	Option A	28:1	20:1	11:1
2022–23	Option A	27:1	19:1	9:1
2021–22	Option A	26:1	18:1	9:1

Option A was chosen as it represents the most accurate means of identifying the percentiles. The comparison is based on data for the year ended 30 June 2024. The table below sets out the salary and total pay and benefits for the three quartiles.

	25th percentile pay	Median pay	75th percentile pay
Base salary	£25,126	£34,681	£52,500
Total remuneration	£34,695	£48,854	£90,115

Directors' shareholdings

The directors listed below were in office during the year. Directors' interests in the share capital of the Company at 30 June 2024 and 30 June 2023 were as follows:

	Ordinary shares of 1p Beneficial	
Executive directors	**2024**	2023
M Allcock	**235,450**	221,350
C Muncaster	**140,000**	100,000
J E Thorpe	**2,164,682**	2,164,682
D Taylor	**–**	140,137
Non–executive directors		
A B Thorpe	**25,892,700**	25,892,700
I A Thorpe	**25,047,120**	25,047,120
F Haafkens	**–**	–
P D Mason	**–**	626,370
A M Cooper	**–**	152,597

The market price of the Company's shares at the beginning and end of the financial year was 374p and 337p respectively, and the range of market prices during the year was from 320p to 427p.

Executive share ownership plan (ESOP) (audited)

Share options were granted during 2014, under the Company's ESOP, to the Company's executive directors and certain directors of subsidiary companies. The plan allows the vesting of options subject to the achievement of performance targets, being annual growth of pre-tax Earnings Per Shares in excess of RPI plus 3% over a five-year period.

Share options were granted during 2024, under a Company ESOP to Company's executive directors and certain directors of subsidiary companies. This plan allows for the vesting of options subject to the achievement of performance targets, being:

- Annual growth of pre-tax Basic Earnings per Share in excess of CPI plus 2% over a five-year period;
- Total shareholder return where the company must be ranked above the median of the Comparator Group at the end of the five years period;
- Appropriate progress towards the Group's carbon reduction target in line Group's sustainability strategy, and any published commitments made at the end of the five years period.

The options that were granted to the executive directors are detailed in the table below.

	M Allcock	C Muncaster	C Muncaster	J E Thorpe
Date Granted	24 October 2014	24 October 2014	30 May 2024	30 May 2024
Share Options	200,000	200,000	200,000	200,000
Exercise price (p) Approved options	124	124	375	375
Exercise price (p) Unapproved options	124	124	337.5	337.5

	M Allcock	C Muncaster	C Muncaster	J E Thorpe
Number at 1 July 2023	20,000	60,000	–	–
Awarded	–	–	200,000	200,000
Vested	–	–	–	–
Exercised	20,000	40,000	–	–
Forfeit	–	–	–	–
Lapsed	–	–	–	–
Number at 30 June 2024	–	20,000	200,000	200,000

C Muncaster exercised the remaining 20,000 shares of the ESOP 2014 scheme on the 12 July 2024. Other than this, there have been no changes in the interests of the directors in the share capital of any Company in the Group during the period 1 July 2024 to 3 October 2024.

Approved by the Board and signed on its behalf by:

Craig Muncaster
Chief Executive, Group Financial Director and Company Secretary

3 October 2024

Independent auditors' report.

to the members of FW Thorpe Plc

Report on the audit of the financial statements

Opinion

In our opinion, FW Thorpe Plc's group financial statements and company financial statements (the "financial statements"):

- give a true and fair view of the state of the group's and of the company's affairs as at 30 June 2024 and of the group's profit and the group's and company's cash flows for the year then ended;
- have been properly prepared in accordance with UK-adopted international accounting standards as applied in accordance with the provisions of the Companies Act 2006; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements, included within the Annual Report and Accounts (the "Annual Report"), which comprise: the Consolidated and company statements of financial position as at 30 June 2024; the Consolidated income statement, Consolidated statement of comprehensive income, Consolidated statement of changes in equity, Company statement of changes in equity and Consolidated and company statements of cash flows for the year then ended; and the notes to the financial statements, comprising material accounting policy information and other explanatory information.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We remained independent of the group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard, as applicable to other listed entities of public interest, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

To the best of our knowledge and belief, we declare that non-audit services prohibited by the FRC's Ethical Standard were not provided.

We have provided no non-audit services to the company or its controlled undertakings in the period under audit.

Our audit approach

Overview

Audit scope

- An audit was conducted of the complete financial information of the three reporting units: Thorlux Lighting (the Company, located in the UK), Lightronics Participaties B.V. (located in the Netherlands), and TRT Lighting Limited (located in the UK).
- The audit work performed at these three reporting units (2023: three reporting units), together with specified procedures performed on Electrozemper S.A. (located in Spain), Famostar BV (located in Netherlands) and SchahlLED Lighting GmbH (located in Germany) and additional procedures performed on centralised functions at the Group level, including audit procedures over the consolidation, gave us the audit evidence we needed for our opinion on the Group financial statements as a whole.
- This provided coverage of 72% (2023: 70%) of profit before tax from the full scope audits.

Key audit matters

- Defined Benefit Pension Obligation valuation - Liability assumptions (group and parent)
- Valuation of the future consideration payable for Electrozemper S.A. and Lumen Intelligence Holding GmbH due to estimation in forecasts (group)

Materiality

- Overall group materiality: £1,494,000 (2023: £1,375,000) based on 5% of profit before tax.
- Overall company materiality: £1,056,000 (2023: £977,000) based on 5% of profit before tax.
- Performance materiality: £1,120,000 (2023: £1,031,000) (group) and £792,000 (2023: £733,000) (company).

The scope of our audit

As part of designing our audit, we determined materiality and assessed the risks of material misstatement in the financial statements.

Key audit matters

Key audit matters are those matters that, in the auditors' professional judgement, were of most significance in the audit of the financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) identified by the auditors, including those which had the greatest effect on: the overall audit strategy; the allocation of resources in the audit; and directing the efforts of the engagement team. These matters, and any comments we make on the results of our procedures thereon, were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

This is not a complete list of all risks identified by our audit.

Valuation of intangible assets acquired in the acquisition of Lumen Intelligence Holding GmbH, which was a key audit matter last year, is no longer included because of the risk being applicable only in the year of acquisition which was in 2023. Otherwise, the key audit matters below are consistent with last year.

Key audit matter	How our audit addressed the key audit matter
Defined Benefit Pension Obligation valuation - Liability assumptions (group and parent) Refer to critical accounting estimates and judgements in note 1 to the financial statements and note 22 relating to the pension scheme. The Group and company operates a hybrid defined benefit and defined contribution pension scheme and recognises its obligations to employee retirement benefits. The quantification of these obligations is subject to significant estimates and assumptions regarding life expectancy, discount and inflation rates and the rate of increase in pension payments, resulting in liabilities of £28.1m. In making these assumptions the Group and company takes advice from an independent qualified actuary about which assumptions best reflect the nature of the obligations to employee retirement benefits.	In undertaking our audit procedures: we obtained and reviewed the actuary's report on assumptions and methodology used to value the scheme liability; compared the assumptions with PwC's expected range taking into account the attributes of the scheme and challenged the actuaries on any unexpected differences; tested the accuracy of the data used by the actuary to underlying payroll records and assessed the appropriateness of the related disclosures. We consider that the valuation of the defined benefit pension obligation to be appropriate.
Valuation of the future consideration payable for Electrozemper S.A. and Lumen Intelligence Holding GmbH due to estimation in forecasts (group) Refer to critical accounting estimates and judgements in note 1 to the financial statements and note 19 Trade and other payables. In October 2021, the Group acquired 63% of the share capital of Electrozemper S.A. (Zemper), with a commitment to purchase the remaining 37% of the share capital, calculated by a pre-determined earnings multiple used to value the investment. At the year end 2024, there is 10% remaining to purchase with a liability in the financial statements of €6.0m (£5.1m) (2023:€12.6m (£10.8m)). Further, in September 2022, the Group acquired 80% of the share capital of Lumen Intelligence Holding GmbH (Lumen). There is also a commitment to acquire the remaining shares in Lumen, which is also subject to future performance conditions. The liability in relation to Schahl is €6.3m (£5.3m) (2023: €7.5m (£6.5m)) The future consideration payable in both instance is predominantly driven by future financial performance, and hence requires estimation.	In undertaking our audit procedures: we obtained the sale and purchase agreements and understood the terms of the future consideration; obtained management calculations of the future consideration and understood the key variables and estimates applied in the calculation; assessed the viability of the forecasts by comparing forecasted data used for calculations against the actual achieved results; reviewed the actual performance achieved to forecast performance from prior years; obtained and understood variances from forecast and validated explanations; obtained support for actual stage payments made during the year and how these compare to accrued amounts; obtained support in relation to future projections and estimates; we assessed the appropriateness of the related disclosures. We consider that the accounting treatment in relation to the future consideration payable to be appropriate.

Independent auditors' report.

to the members of FW Thorpe Plc continued

How we tailored the audit scope

We tailored the scope of our audit to ensure that we performed enough work to be able to give an opinion on the financial statements as a whole, taking into account the structure of the group and the company, the accounting processes and controls, and the industry in which they operate.

The group financial statements are a consolidation of multiple reporting units across the UK, the Netherlands, Spain and Germany, comprising the group's operating businesses and centralised functions. These reporting units maintain their own accounting records and controls and report to the head office finance team for consolidation purposes.

In establishing the overall approach to the Group audit, we identified two reporting units, which, in our view, required an audit of their complete financial information both due to their size and risk characteristics. These are Thorlux Lighting (the Company, located in the UK), and Lightronics (located in the Netherlands). We have also performed a full scope audit on TRT Lighting Limited (located in the UK) due to performing a statutory audit for this entity. This provided coverage of 72% (2023: 70%) of profit before tax for all three full scope entities. The Group engagement team audited Thorlux Lighting and TRT Lighting Limited whilst Lightronics was audited by PwC Netherlands. Where balances in out of scope components are in excess of group performance materiality and contribute a notable proportion of a certain financial statement line item, these balances have been subject to audit procedures by both PwC and the non-PwC component audit teams. The audit work performed at these three reporting units (2022: three), together with audit of specific balances on Famostar and specified procedures performed on Electrozemper and SchahlLED as well as additional procedures performed on centralised functions at the Group level, including audit procedures over the consolidation, gave us the audit evidence we needed for our opinion on the Group financial statements as a whole.

The work performed by the component auditors was subject to review by the Group engagement team and the work performed over areas considered to be of significant importance to the audit has fed into our key audit matters.

The impact of climate risk on our audit

As part of our audit we made enquiries of management to understand the process adopted to assess the extent of the potential impact of climate risk on the Group and company's financial statements and support the disclosures made within the sustainability section of the Strategic report. Given the principal activities of the Group, it is likely that climate risk will have an impact on the Group's business but this is not expected until the medium or long term. As part of our audit, we evaluated management's climate change risk assessment including the identified physical and transitional risks and the assessment of the impact of those risks on the Group financial statements. Our procedures did not identify any material impact as a result of climate risk on the group's and company's financial statements.

Materiality

The scope of our audit was influenced by our application of materiality. We set certain quantitative thresholds for materiality. These, together with qualitative considerations, helped us to determine the scope of our audit and the nature, timing and extent of our audit procedures on the individual financial statement line items and disclosures and in evaluating the effect of misstatements, both individually and in aggregate on the financial statements as a whole.

Based on our professional judgement, we determined materiality for the financial statements as a whole as follows:

	Financial statements - group	Financial statements - company
Overall materiality	£1,494,000 (2023: £1,375,000).	£1,056,000 (2023: £977,000).
How we determined it	5% of profit before tax	5% of profit before tax
Rationale for benchmark applied	Based on the benchmarks used in the annual report, profit before tax is the primary measure used by the shareholders in assessing the performance of the Group.	Based on the benchmarks used in the annual report, profit before tax is the primary measure used by the shareholders in assessing the performance of the Company.

For each component in the scope of our group audit, we allocated a materiality that is less than our overall group materiality. The range of materiality allocated across components was £255,000 to £1,056,000. Certain components were audited to a local statutory audit materiality that was also less than our overall group materiality.

We use performance materiality to reduce to an appropriately low level the probability that the aggregate of uncorrected and undetected misstatements exceeds overall materiality. Specifically, we use performance materiality in determining the scope of our audit and the nature and extent of our testing of account balances, classes of transactions and disclosures, for example in determining sample sizes. Our performance materiality was 75% (2023: 75%) of overall materiality, amounting to £1,120,000 (2023: £1,031,000) for the group financial statements and £792,000 (2023: £733,000) for the company financial statements.

In determining the performance materiality, we considered a number of factors - the history of misstatements, risk assessment and aggregation risk and the effectiveness of controls - and concluded that an amount at the upper end of our normal range was appropriate.

We agreed with those charged with governance that we would report to them misstatements identified during our audit above £77,000 (group audit) (2023: £69,000) and £53,000 (company audit) (2023: £49,000) as well as misstatements below those amounts that, in our view, warranted reporting for qualitative reasons.

Conclusions relating to going concern

Our evaluation of the directors' assessment of the group's and the company's ability to continue to adopt the going concern basis of accounting included:

- Testing the reasonableness of the going concern model and assessing the assumptions used in management's assessment which covers the period to 31 December 2025;
- Management's base case forecasts are based on its normal budget and forecasting process and have produced a downside model. We understood and assessed this process, including the assumptions used, for 2024 and 2025 and assessed whether there was adequate support for these assumptions; and
- We assessed the adequacy of disclosures in the Going Concern statement within the Directors' report and in note 1 of the Annual Report and Accounts and found these appropriately reflect downside risks.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the group's and the company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

However, because not all future events or conditions can be predicted, this conclusion is not a guarantee as to the group's and the company's ability to continue as a going concern.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

Reporting on other information

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If we identify an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report based on these responsibilities.

With respect to the Strategic report and Directors' report, we also considered whether the disclosures required by the UK Companies Act 2006 have been included.

Based on our work undertaken in the course of the audit, the Companies Act 2006 requires us also to report certain opinions and matters as described below.

Independent auditors' report.

to the members of FW Thorpe Plc continued

Strategic report and Directors' report

In our opinion, based on the work undertaken in the course of the audit, the information given in the Strategic report and Directors' report for the year ended 30 June 2024 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

In light of the knowledge and understanding of the group and company and their environment obtained in the course of the audit, we did not identify any material misstatements in the Strategic report and Directors' report.

Responsibilities for the financial statements and the audit

Responsibilities of the directors for the financial statements

As explained more fully in the Statement of directors' responsibilities, the directors are responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The directors are also responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the group's and the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the group or the company or to cease operations, or have no realistic alternative but to do so.

Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

Based on our understanding of the group and industry, we identified that the principal risks of non-compliance with laws and regulations related to employment laws and health and safety regulations, and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the financial statements such as Companies Act 2006, AIM Rules for Companies and taxation legislation. We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to posting inappropriate journal entries to manipulate financial results and management bias in accounting estimates as well as misappropriation of assets through cash extraction. The group engagement team shared this risk assessment with the component auditors so that they could include appropriate audit procedures in response to such risks in their work. Audit procedures performed by the group engagement team and/or component auditors included:

- enquiry of management and those charged with governance around actual and potential litigation and claims;
- enquiry of entity staff in finance and compliance functions to identify any instances of non-compliance with laws and regulations;
- reviewing minutes of meetings of those charged with governance;
- reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations;
- auditing the risk of management override of controls, including through testing journal entries and other adjustments for appropriateness, testing accounting estimates (because of the risk of management bias), and evaluating the business rationale of significant transactions outside the normal course of business;
- reviewing component teams key working papers for all in-scope components with a particular focus on the areas involving judgement and estimates; and
- incorporating elements of unpredictability into our audit procedures.

There are inherent limitations in the audit procedures described above. We are less likely to become aware of instances of non-compliance with laws and regulations that are not closely related to events and transactions reflected in the financial statements. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

Our audit testing might include testing complete populations of certain transactions and balances, possibly using data auditing techniques. However, it typically involves selecting a limited number of items for testing, rather than testing complete populations. We will often seek to target particular items for testing based on their size or risk characteristics. In other cases, we will use audit sampling to enable us to draw a conclusion about the population from which the sample is selected.

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditors' report.

Use of this report

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

Other required reporting

Companies Act 2006 exception reporting

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- we have not obtained all the information and explanations we require for our audit; or
- adequate accounting records have not been kept by the company, or returns adequate for our audit have not been received from branches not visited by us; or
- certain disclosures of directors' remuneration specified by law are not made; or
- the company financial statements are not in agreement with the accounting records and returns.

We have no exceptions to report arising from this responsibility.

Mark Foster (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP

Chartered Accountants and Statutory Auditors

Milton Keynes

3 October 2024

Shrewsbury School Cricket Facility, Shrewsbury, UK

The installation of Thorlux Visio high-bay luminaires combined with the SmartScan lighting management system has reduced energy consumption in the facility by 87%.

Our Financials.

Consolidated income statement.

For the year ended 30 June 2024

	Notes	2024 £'000	2023 £'000
Continuing operations			
Revenue	2	**175,798**	176,749
Cost of sales		**(90,361)**	(98,891)
Gross profit		**85,437**	77,858
Distribution costs		**(22,370)**	(19,214)
Administrative expenses		**(33,001)**	(31,292)
Other operating income		**565**	480
Operating profit	3	**30,631**	27,832
Finance income	5	**1,127**	716
Finance expense	5	**(1,059)**	(1,094)
Share of loss of joint ventures	13	**(826)**	(520)
Profit before income tax		**29,873**	26,934
Income tax expense	6	**(5,560)**	(5,000)
Profit for the year		**24,313**	21,934

Earnings per share from continuing operations attributable to the equity holders of the Company during the year (expressed in pence per share).

Basic and diluted earnings per share	Notes	2024 pence	2023 pence
– Basic	7	**20.73**	18.72
– Diluted	7	**20.73**	18.70

The notes on pages 116 to 164 form part of these financial statements.

The Company has elected to take the exemption under section 408 of the Companies Act 2006 not to present the Company income statement.

Consolidated statement of comprehensive income.

For the year ended 30 June 2024

	Notes	**2024 £'000**	2023 £'000
Profit for the year:		**24,313**	21,934
Other comprehensive income/(expense)			
Items that may be reclassified to profit or loss			
Exchange differences on translation of foreign operations		**(514)**	231
		(514)	231
Items that will not be reclassified to profit or loss			
Revaluation of financial assets at fair value through other comprehensive income	14	**403**	(105)
Movement on associated deferred tax	24	**(101)**	26
Actuarial gain/(loss) on pension scheme	22	**937**	(123)
Movement on unrecognised pension scheme surplus	22	**(1,213)**	177
		26	(25)
Other comprehensive (expense)/income for the year, net of tax		**(488)**	206
Total comprehensive income for the year		**23,825**	22,140

The notes on pages 116 to 164 form part of these financial statements.

Consolidated and company statements of financial position.

As at 30 June 2024

		Group		Company	
		2024	2023	**2024**	2023
	Notes	**£'000**	£'000	**£'000**	£'000
Assets					
Non-current assets					
Property, plant and equipment	8	**38,323**	38,763	**11,916**	11,745
Intangible assets	9	**66,104**	70,891	**2,539**	3,060
Investments in subsidiaries	10	**–**	–	**20,486**	20,486
Investment properties	11	**4,403**	1,986	**11,294**	9,736
Financial assets at amortised cost	12	**186**	1,587	**–**	240
Equity accounted joint ventures	13	**4,671**	5,592	**–**	–
Financial assets at fair value through other comprehensive income	14	**3,757**	3,364	**3,737**	3,334
Deferred income tax assets	24	**347**	382	**–**	–
Total non-current assets		**117,791**	122,565	**49,972**	48,601
Current assets					
Inventories	15	**28,997**	33,437	**13,070**	15,425
Trade and other receivables	16	**35,764**	35,733	**24,463**	26,610
Financial assets at amortised cost	12	**3,437**	1,266	**54,144**	51,886
Short-term financial assets	17	**18,965**	4	**16,418**	–
Cash and cash equivalents	18	**33,943**	35,013	**21,806**	25,527
Total current assets		**121,106**	105,453	**129,901**	119,448
Total assets		**238,897**	228,018	**179,873**	168,049
Liabilities					
Current liabilities					
Trade and other payables	19	**(35,383)**	(37,457)	**(23,713)**	(23,102)
Financial liabilities	20	**(1,252)**	(1,435)	**–**	–
Lease liabilities	21	**(778)**	(812)	**(7)**	(7)
Current income tax liabilities		**(949)**	(1,143)	**–**	–
Total current liabilities		**(38,362)**	(40,847)	**(23,720)**	(23,109)
Net current assets		**82,744**	64,606	**106,181**	96,339
Non-current liabilities					
Other payables	19	**(10,418)**	(11,987)	**–**	–
Financial liabilities	20	**(1,210)**	(1,461)	**–**	–
Lease liabilities	21	**(3,385)**	(3,822)	**(12)**	(19)
Provisions for liabilities and charges	23	**(3,325)**	(3,299)	**(1,439)**	(1,133)
Deferred income tax liabilities	24	**(5,435)**	(6,261)	**(1,452)**	(1,259)
Total non-current liabilities		**(23,773)**	(26,830)	**(2,903)**	(2,411)
Total liabilities		**(62,135)**	(67,677)	**(26,623)**	(25,520)
Net assets		**176,762**	160,341	**153,250**	142,529
Equity					
Issued share capital	25	**1,189**	1,189	**1,189**	1,189
Share premium account	26	**3,088**	2,976	**3,088**	2,976
Capital redemption reserve	26	**137**	137	**137**	137
Foreign currency translation reserve	26	**1,525**	2,039	**–**	–
Retained earnings:					
At 1 July		**154,000**	139,392	**138,227**	128,587
Profit for the year attributable to the owners		**24,313**	21,934	**18,099**	16,966
Other changes in retained earnings		**(7,490)**	(7,326)	**(7,490)**	(7,326)
		170,823	154,000	**148,836**	138,227
Total equity		**176,762**	160,341	**153,250**	142,529

The Company generated profit before income tax of £21,181,000 (2023: £19,499,000) and profit for the year of £18,099,000 (2023: £16,966,000).

The notes on pages 116 to 164 form part of these financial statements.

The financial statements on pages 110 to 115 were approved by the Board on 3 October 2024 and signed on its behalf by

Michael Allcock

Mike Allcock **Craig Muncaster**

Company Registration Number: 317886

Consolidated statement of changes in equity.

For the year ended 30 June 2024

	Notes	Issued share capital £'000	Share premium account £'000	Capital redemption reserve £'000	Foreign currency translation reserve £'000	Retained earnings £'000	Total equity £'000
Balance at 1 July 2022		**1,189**	**2,827**	**137**	**1,808**	**139,392**	**145,353**
Comprehensive income/(expense)							
Profit for the year to 30 June 2023		–	–	–	–	21,934	21,934
Actuarial loss on pension scheme	22	–	–	–	–	(123)	(123)
Movement on unrecognised pension Scheme surplus	22	–	–	–	–	177	177
Revaluation of financial assets at fair value through other comprehensive income	14	–	–	–	–	(105)	(105)
Movement on deferred tax associated to financial assets at fair value through other comprehensive income	24	–	–	–	–	26	26
Exchange differences on translation of foreign operations		–	–	–	231	–	231
Total comprehensive income		–	–	–	231	21,909	22,140
Transactions with owners							
Shares issued from exercised options		–	149	–	–	–	149
Dividends paid to shareholders	27	–	–	–	–	(7,301)	(7,301)
Total transactions with owners		–	149	–	–	(7,301)	(7,152)
Balance at 30 June 2023		**1,189**	**2,976**	**137**	**2,039**	**154,000**	**160,341**
Comprehensive income/(expense)							
Profit for the year to 30 June 2024		–	–	–	–	24,313	24,313
Actuarial gain on pension scheme	22	–	–	–	–	937	937
Movement on unrecognised pension scheme surplus	22	–	–	–	–	(1,213)	(1,213)
Revaluation of financial assets at fair value through other comprehensive income	14	–	–	–	–	403	403
Movement on deferred tax associated to financial assets at fair value through other comprehensive income	24	–	–	–	–	(101)	(101)
Exchange differences on translation of foreign operations		–	–	–	(514)	–	(514)
Total comprehensive income		–	–	–	(514)	24,339	23,825
Transactions with owners							
Shares issued from exercised options		–	112	–	–	–	112
Dividends paid to shareholders	27	–	–	–	–	(7,668)	(7,668)
Share based payment charge		–	–	–	–	152	152
Total transactions with owners		–	112	–	–	(7,516)	(7,404)
Balance at 30 June 2024		**1,189**	**3,088**	**137**	**1,525**	**170,823**	**176,762**

The notes on pages 116 to 164 form part of these financial statements.

Company statement of changes in equity.

For the year ended 30 June 2024

	Notes	Issued share capital £'000	Share premium account £'000	Capital redemption reserve £'000	Retained earnings £'000	Total equity £'000
Balance at 1 July 2022		**1,189**	**2,827**	**137**	**128,587**	**132,740**
Comprehensive income/(expense)						
Profit for the year to 30 June 2023		–	–	–	16,966	16,966
Actuarial loss on pension scheme	22	–	–	–	(123)	(123)
Movement on unrecognised pension scheme surplus	22	–	–	–	177	177
Revaluation of financial assets at fair value through other comprehensive income	14	–	–	–	(105)	(105)
Movement on deferred tax associated to financial assets at fair value through other comprehensive income	24	–	–	–	26	26
Total comprehensive income		–	–	–	16,941	16,941
Transactions with owners						
Shares issued from exercised options		–	149	–	–	149
Dividends paid to shareholders	27	–	–	–	(7,301)	(7,301)
Total transactions with owners		–	149	–	(7,301)	(7,152)
Balance at 30 June 2023		**1,189**	**2,976**	**137**	**138,227**	**142,529**
Comprehensive income/(expense)						
Profit for the year to 30 June 2024		–	–	–	18,099	18,099
Actuarial gain on pension scheme	22	–	–	–	937	937
Movement on unrecognised pension scheme surplus	22	–	–	–	(1,213)	(1,213)
Revaluation of financial assets at fair value through other comprehensive income	14	–	–	–	403	403
Movement on deferred tax associated to financial assets at fair value through other comprehensive income	24	–	–	–	(101)	(101)
Total comprehensive income		–	–	–	18,125	18,125
Transactions with owners						
Shares issued from exercised options		–	112	–	–	112
Dividends paid to shareholders	27	–	–	–	(7,668)	(7,668)
Share based payment		–	–	–	152	152
Total transactions with owners		–	112	–	(7,516)	(7,404)
Balance at 30 June 2024		**1,189**	**3,088**	**137**	**148,836**	**153,250**

The notes on pages 116 to 164 form part of these financial statements.

Consolidated and company statements of cash flows.

For the year ended 30 June 2024

	Notes	Group		Company	
		2024	2023	**2024**	2023
		£'000	£'000	**£'000**	£'000
			(Restated)*		
Cash flows from operating activities					
Cash generated from operations	29	**47,760**	36,216	**24,963**	22,506
Tax paid		**(6,390)**	(4,341)	**(2,608)**	(1,294)
Net cash generated from operating activities		**41,370**	31,875	**22,355**	21,212
Cash flows from investing activities					
Purchases of property, plant and equipment		**(5,121)**	(7,739)	**(2,358)**	(2,699)
Proceeds from sale of property, plant and equipment		**407**	535	**274**	369
Purchases of intangible assets		**(2,172)**	(2,255)	**(764)**	(993)
Purchases of subsidiaries (net of cash acquired)		**–**	(12,602)	**–**	–
Purchase of shares in subsidiaries		**–**	(2,104)	**–**	–
Payment of exit earnout of a purchased subsidiary		**(606)**	–	**–**	–
Purchase of investment property		**(2,179)**	(22)	**(2,179)**	(22)
Proceed from sale of an investment property		**502**	–	**502**	–
Net sale of financial assets at fair value through other comprehensive income		**9**	1	**–**	–
Property rental and similar income received		**208**	93	**538**	431
Dividend income received		**182**	209	**1,082**	1,059
Net (deposit)/withdrawal of short-term financial assets		**(18,994)**	5,075	**(16,418)**	5,075
Interest received		**522**	434	**4,263**	483
Receipts from loans receivable		**–**	1,813	**3,238**	2,524
Issue of loans receivables		**(1,082)**	(1,748)	**(6,540)**	(22,885)
Net cash used in investing activities		**(28,324)**	(18,310)	**(18,362)**	(16,658)
Cash flows from financing activities					
Net proceeds from the issuance of ordinary shares		**112**	149	**112**	149
Addition of lease liabilities		**13**	203	**–**	–
Proceeds from borrowings		**439**	1,039	**–**	–
Repayment of borrowings		**(839)**	(2,532)	**–**	–
Principal element of lease payments		**(855)**	(789)	**(7)**	(5)
Payment of interest		**(296)**	(339)	**(14)**	(25)
Payment for redemption of shares in a subsidiary		**(4,266)**	(4,341)	**–**	–
Payments to non-controlling interests		**(452)**	–	**–**	–
Dividends paid to Company's shareholders	27	**(7,668)**	(7,301)	**(7,668)**	(7,301)
Net cash used in financing activities		**(13,812)**	(13,911)	**(7,577)**	(7,182)
Net decrease in cash in the year		**(766)**	(346)	**(3,584)**	(2,628)
Cash and cash equivalents at beginning of year		**35,013**	35,505	**25,527**	28,221
Effects of exchange rate changes on cash		**(304)**	(146)	**(137)**	(66)
Cash and cash equivalents at end of year		**33,943**	35,013	**21,806**	25,527

* During the year, there was a re-classification of payments made to acquire further shares within Electrozemper S.A. for the year ended 30 June 2023 which was incorrectly classified as cash flows from investing activities. The consolidated statements of cash flows has been restated to reclassify £4,341,000 from cash flows from investing activities to cash flows from financing activities. There was no impact on the other financial statements or accompanying notes.

The notes on pages 116 to 164 form part of these financial statements.

Notes to the financial statements.

For the year ended 30 June 2024

1 Accounting policies

The principal accounting policies applied in the preparation of these consolidated financial statements and company financial statements (the "financial statements") are set out below. These policies have been consistently applied to all years presented, unless otherwise stated.

F. W. Thorpe Public Limited Company ("FW Thorpe" or the "Company") is incorporated in England and Wales, United Kingdom. The Company is domiciled in the United Kingdom. The Company is public limited company, limited by shares, which is listed on the Alternative Investment Market (AIM) of the London Stock Exchange.

The address of its registered office is Merse Road, North Moons Moat, Redditch, Worcestershire, B98 9HH, England, United Kingdom.

Basis of preparation

The consolidated and company financial statements of the Company have been prepared in accordance with UK adopted International Accounting Standards and with the requirements of the Companies Act 2006 as applicable to companies reporting under those standards, with future changes being subject to endorsement by the UK Endorsement Board.

The financial statements have been prepared on a going concern basis, under the historical cost convention except for the financial instruments measured at fair value either through other comprehensive income or profit and loss per the provisions of IFRS 9 and contingent consideration that are measured at fair value.

There are no other standards that are not yet effective that are expected to have a material impact on the Group in the current or future reporting periods and on foreseeable future transactions.

The financial statements are presented in Pounds Sterling, which is the Company's functional and presentation currency, rounded to the nearest thousand.

The preparation of financial information in conformity with the basis of preparation described above requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Company's and Group's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the consolidated financial information, are disclosed in the critical accounting estimates and judgements section.

The Company has elected to take the exemption under section 408 of the Companies Act 2006 from presenting the Company income statement.

Going concern

The directors confirm they are satisfied that the Group and Company have adequate resources, with £33.9m cash to continue in business for the foreseeable future, including the affect of increased costs caused by the ongoing conflicts, where the Group has no sales, and other global events. The directors have also produced a severe, but plausible downside scenario that demonstrates that the Group could cover its cash commitments over the following year from approving these accounts. For this reason, the directors continue to adopt the going concern basis in preparing the accounts.

Basis of consolidation

The consolidated financial statements for FW Thorpe incorporate the financial statements of the Company and its subsidiary undertakings (collectively referred to the "Group").

A subsidiary is a company controlled directly by the Group and all the subsidiaries are wholly owned by the Group. The Group achieves control over the subsidiaries by being able to influence financial and operating policies so as to obtain benefits from their activities.

Intra-group transactions, balances, income and expenses are eliminated in preparing consolidated financial statements, accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

1 Accounting policies continued

The Group uses the acquisition method of accounting to account for business combinations. The consideration transferred for the acquisition of a subsidiary is the fair value of the assets transferred, the liabilities incurred and the equity interests issued by the Group. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration agreement. Acquisition related costs are expensed as incurred. Identifiable assets acquired and liabilities and contingent liabilities assumed on a business combination are measured initially at their fair values at the acquisition date. The Group recognises any non-controlling interest in the acquiree on an acquisition-by-acquisition basis either at fair value or at the non-controlling interest's proportionate share of the recognised amounts of the acquiree's identifiable net assets.

Where the Group has an obligation to pay outstanding consideration in a business combination, a liability is recognised equal to the calculated future fair value as at the date of the statement of financial position.

Non-controlling interests

The Group does not recognise non-controlling interests in an acquired entity when there is a commitment and obligation to acquire the non-controlling interests of the acquired entity. The acquired entity is consolidated as if it is wholly owned by the Group since acquisition. Any profits attributable to non-controlling interests, if any, are treated as a finance expense of the Group.

Equity accounted joint ventures

Under IFRS 11, 'Joint Arrangements', investments in joint arrangements are classified as either joint operations or joint ventures. The classification depends on the contractual rights and obligations of each investor, rather than the legal structure of the joint arrangement.

Under the equity method of accounting, joint ventures are initially recognised at cost and adjusted thereafter to recognise the Group's share of the post-acquisition profits or losses of the investee in profit or loss, and the Group's share of movements in other comprehensive income of the investee in other comprehensive income. Dividends received or receivable from joint ventures are recognised as a reduction in the carrying amount of the investment.

Where the Group's share of losses in an equity-accounted joint ventures equals or exceeds its interest in the entity, including any other unsecured long-term receivables, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the other entity.

Unrealised gains on transactions between the Group and its joint ventures are eliminated to the extent of the Group's interest in these entities. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of equity-accounted investees have been changed where necessary to ensure consistency with the policies adopted by the Group.

Revenue recognition

The Group recognises revenue earned from contracts based on individual performance obligations using the five-step model. Revenue from contracts with customers is recognised when control of the goods are transferred to the customer, or the service is performed, at an amount that reflects the consideration the Group is entitled to in exchange for those goods or services, excluding VAT, trade discounts and rebates.

The Group has generally concluded that it is the principal in its revenue arrangements. The amount of revenue is not considered to be reliably measurable until all contingencies relating to the sale have been resolved. The Group bases its estimates on historical results, taking into consideration the type of customer, the type of transaction and the specifics of each arrangement. The normal credit terms are 30 to 90 days from delivery, or completion of the service provided.

Revenue from external customers is derived from the supply of light fittings and services to support the sale of these light fittings. These services include surveying, project management, installation and commissioning. The transaction price for both the light fittings and the service agreements are at fair value as if each of those services are provided individually.

Revenue Stream	Revenue Recognition
Light fittings	Revenue is recognised at the point in time when control of the asset is transferred to the customer, generally on delivery of the goods
Services	Revenue is recognised over time when the service is performed

1 Accounting policies continued

The Group considers whether there are other promises in the contract that are separate performance obligations to which a portion of the transaction price needs to be allocated (e.g. service agreements). In determining the transaction price for the sale of goods, the Group considers the effects of variable consideration, the existence of significant financing components, non-cash consideration, and consideration payable to the customer (if any).

Interest income

Interest income is recognised on a time proportion basis using the effective interest method. When a receivable is impaired the Group reduces the carrying amount to its recoverable amount, being the estimated cash flow discounted at the original effective interest rate of the instrument, and continues unwinding the discount as interest income.

Interest on impaired loans is recognised using the original effective interest rate.

Dividend income

Dividend income is recognised when the right to receive payment is established.

Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The chief operating decision maker, who is responsible for allocating resources and assessing performance of the operating segments, is identified as the Group Board.

The Group is organised into 12 operating segments based on the products and customer base in the lighting market. The largest businesses, on an ongoing basis, are Thorlux (which includes the businesses of Thorlux Lighting Limited and SchahlLED Lighting GmbH), FW Thorpe Nederland B.V. (which includes the businesses of Lightronics B.V. and Famostar Emergency Lighting B.V.) and Zemper Group. The seven remaining operating segments have been aggregated into the "other companies" reportable segment based upon their size, comprising the entities Philip Payne Limited, Solite Europe Limited, Portland Lighting Limited, TRT Lighting Limited, Thorlux Lighting L.L.C., Thorlux Australasia Pty Limited and Thorlux Lighting GmbH.

Pension costs

The Group operates a hybrid defined benefit and defined contribution pension scheme. The Group's hybrid pension scheme provides benefits to members based upon the following:

- Service before 1 October 1995, benefits provided are defined benefit in nature (the "pure" defined benefit element);
- Service after 1 October 1995, has two elements:
  - For members joining pre-1 October 1995, benefits provided are the maximum of their defined contribution pension and their defined benefit pension (the "defined benefit underpin" element);
  - For members joining post-1 October 1995, benefits provided are defined contribution in nature (the "pure defined contribution" element).

The contributions of all three elements are paid into one pension scheme, where the contributions and assets are segregated and ring-fenced from each other. The assets of the scheme are invested and managed independently of the finances of the Group. Pension costs are assessed in accordance with the advice of an independent qualified actuary. Costs include the regular cost of providing benefits, which it is intended should remain at a substantially level percentage of current and expected future earnings of the employees covered. Variations from the regular pensions cost are spread evenly through the income over the remaining service lives of current employees. Contributions made to the defined benefit scheme are charged to the income statement in the period in which they are made.

The liability or surplus recognised in the statement of financial position in respect of defined benefit pension plans is the present value of the defined benefit obligation at the statement of financial position date less the fair value of plan assets, together with adjustments for unrecognised past-service costs. The defined benefit obligation is calculated annually by independent actuaries using the projected unit credit method. In the defined benefit underpin element of the scheme, the liabilities reflect the greater of the defined contribution or defined benefit liabilities.

1 Accounting policies continued

For the defined benefit underpin element of the scheme each member is tested to see whether the pension on a defined contribution or defined benefit basis is higher. The liabilities shown in the pensions note are based on the greater of the two liabilities for each member, which in almost all cases is the defined benefit liability. For the service cost, again tests are performed to see which is the higher for each member out of the Company's share of the defined contribution payments or the Company's share of accruing benefits on a defined benefit basis. The higher of these two figures for each member is then used to give the total service cost; again the defined benefit cost is the higher for the vast majority of members.

The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using interest rates of high quality corporate bonds that are denominated in the currency in which the benefits will be paid, and that have terms to maturity approximating to the terms of the related pension liability.

Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited to equity in the statement of comprehensive income in the period in which they arise.

Past-service costs are recognised immediately in the income statement, unless the changes to the pension plan are conditional on the employees remaining in service for a specified period of time (the vesting period). In this case, the past-service costs are amortised on a straight-line basis over the vesting period.

For defined contribution plans and pure defined contribution elements, the Group pays contributions to publicly or privately administered pension insurance plans on a mandatory, contractual or voluntary basis.

The Group has no further payment obligations once the contributions have been paid. The contributions are recognised as employee benefit expense in the income statement as they fall due, or as an accrued or prepaid expense. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in the future payments is available. A defined benefit surplus is only recognised if it meets the following criteria: if the Group has an unconditional right to a refund; or if the Group can realise it at some point during the life of the plan or when the plan liabilities are settled. If the criteria are not met then a defined benefit surplus is not recognised.

Foreign currencies

Transactions in foreign currency are converted to sterling using the exchange rate applicable to the date of the transaction. Foreign currency gains and losses resulting from the settlement of foreign currency transactions at a different time are recognised in the income statement. Currency exchange differences arising from holding monetary assets or liabilities in a foreign currency are fair valued at the statement of financial position date in accordance with prevailing exchange rates and resulting gains or losses are recognised in the income statement. The translation of financial statements from foreign currencies is recognised in the foreign currency translation reserve and in the consolidated statement of comprehensive income at the prevailing exchange rates.

Taxation

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the statement of financial position date in the countries where the Company's subsidiaries operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation and establishes provisions, where appropriate, on the basis of amounts expected to be paid to the tax authorities.

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. However, the deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the statement of financial position date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

1 Accounting policies continued

Deferred income tax assets are recognised to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

Deferred income tax is provided on temporary differences arising on investments in subsidiaries and joint ventures, except where the timing of the reversal of the temporary difference is controlled by the Group and it is probable that the temporary difference will not reverse in the foreseeable future.

Dividend distribution

Final dividend distribution to the Company's shareholders is recognised as a liability in the Group's financial statements in the period in which the dividends are approved by the Company's shareholders.

Interim dividends are recognised as a liability in the Group's financial statements when approved by the directors.

Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation and impairment losses where applicable. Cost includes the original purchase price together with the costs attributable to bringing the asset to its working condition for its intended use.

Depreciation is calculated on a straight-line basis to write down the cost less estimated residual value of all plant and equipment assets by equal instalments over their expected useful life. Right of use assets are depreciated at the rates below according to their asset classification. The rates generally applicable are:

Freehold land	Nil
Buildings	2%–10%
Plant and equipment	10%–50%

The assets' residual values and useful lives are reviewed and adjusted, if appropriate, at each statement of financial position date. Assets are reviewed for impairment where there is an indication that the carrying value may not be recoverable.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised within administrative expenses in the income statement.

Leases

The Group assesses whether a contract is or contains a lease, at inception of the contract. The Group recognises a right-of-use asset and a corresponding lease liability with respect to all lease arrangements in which it is the lessee, except for short-term leases (defined as leases with a lease term of 12 months or less) and leases of low value assets. For these leases, the Group recognises the lease payments as an operating expense on a straight-line basis over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased assets are consumed.

Lease liability: The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the rate implicit in the lease. If this rate cannot be readily determined, the Group uses an incremental borrowing rate which is the rate of interest that the lessee would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment.

Right-of-use assets: The right-of-use assets comprise the initial measurement of the corresponding lease liability, lease payments made at or before the commencement day and any initial direct costs. They are subsequently measured at cost less accumulated depreciation and impairment losses. Right-of-use assets are depreciated over the shorter period of lease term and useful life of the underlying asset.

The Group applies IAS 36 to determine whether a right-of-use asset is impaired and accounts for any identified impairment loss in line with the Group's existing impairment accounting policy.

Short term leases and low value assets

For these leases, payments made under them, are charged to the income statement on a straight-line basis over the term of the lease.

1 Accounting policies continued

Intangible assets

Development costs

The Group undertakes development activities on an ongoing basis. Part of these costs relate to projects where the benefit is received in the short term (less than one year) and part relates to longer term projects where the benefit is expected to be received for several years to come. Costs associated with the shorter term activities are expensed as and when they are incurred. Costs (including costs generated internally and third party costs) associated with the longer term projects are capitalised as an intangible asset and amortised over the expected life of the benefit at 33.33% per annum commencing when the asset is available for use within the business. Development costs are recognised as intangible assets when the following criteria are met:

- It is technically feasible to complete the intangible asset so that it will be available for use
- Management intends to complete the intangible asset and use or sell it
- There is an ability to use or sell the intangible asset
- It can be demonstrated how the intangible asset will generate probable future economic benefits
- Adequate technical, financial and other resources to complete the development and to use or sell the intangible asset are available
- The expenditure attributable to the intangible asset during its development can be reliably measured. Other development expenditures that do not meet these criteria are recognised as an expense as incurred

Development costs previously recognised as an expense are not recognised as an asset in a subsequent period.

The economic success for development activities is uncertain and carrying amounts are reviewed at each statement of financial position date for impairment in accordance with IAS 36.

Development assets are valued at cost less accumulated amortisation and any impairment losses.

Fishing rights

Fishing rights are stated at cost less accumulated impairment where applicable. The rights are not amortised, but assessed annually for impairment.

Goodwill

Goodwill is stated at cost less accumulated impairment where applicable. Goodwill represents the excess of the cost of an acquisition over the fair value of the Group's share of the net assets of the acquired subsidiary undertaking at the date of acquisition. Goodwill is reviewed for impairment at least annually or more frequently if events or changes in circumstances indicate a potential impairment. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount.

Goodwill is allocated to cash-generating units for the purpose of impairment testing. The allocation is made to those cash-generating units or groups of cash-generating units that are expected to benefit from the business combination in which the goodwill arose.

Software costs

Software costs are stated at cost less accumulated amortisation and impairment where applicable. Amortisation is calculated on a straight-line basis to write down the cost less estimated residual value over its useful life. The amortisation rates are between 20% and 50% per annum.

Patent costs

Patents are stated at cost less accumulated amortisation. Amortisation is calculated on a straight-line basis to write down the cost less estimated residual value over its useful life. The amortisation rate is 20%.

1 Accounting policies continued

Other intangible assets

An intangible asset acquired in a business combination is recognised at fair value to the extent it is probable that the expected future economic benefits attributable to the asset will flow to the Group and that its cost can be measured reliably. Intangible assets principally relate to brand names and technology that were valued discounting estimated future net cash flow from the asset. The cost of intangible assets is amortised through the income statement on a straight-line basis over their estimated economic life. The rates generally applicable are:

Technology	12%-14%
Brand name	10%–33%
Customer Relationships	7%-17%

Investment properties

Investment properties are recognised at cost, and then, subsequently cost less accumulated depreciation and (if applicable) any accumulated impairment losses. Assets are depreciated at the same rates as property, plant and equipment assets according to their assets class; freehold land is not depreciated.

In the Company accounts, land and buildings (and integral fixtures and fittings) not occupied by the Company are included within investment property.

Investments in subsidiaries

Investments in subsidiaries are held at cost less impairment. Cost includes directly attributable costs of investment.

Financial assets

(i) Classification

The Group classifies its financial assets in the following measurement categories:

- those to be measured subsequently at fair value (either through OCI or the income statement); and
- those to be measured at amortised cost.

The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows.

For assets measured at fair value, gains and losses will either be recorded in the income statement or OCI. For investments in equity instruments that are not held for trading, this will depend on whether the Group has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income (FVOCI).

The Group reclassifies debt investments when, and only when, its business model for managing those assets changes.

(ii) Recognition and derecognition

Regular way purchases and sales of financial assets are recognised on trade-date, the date on which the Group commits to purchase or sell the asset. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Group has transferred substantially all the risks and rewards of ownership.

(iii) Measurement

At initial recognition, the Group measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss (FVPL), transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVPL are expensed in the income statement.

Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest.

1 Accounting policies continued

Debt instruments
Subsequent measurement of debt instruments depends on the Group's business model for managing the asset and the cash flow characteristics of the asset. There are three measurement categories into which the Group classifies its debt instruments:

- Amortised cost: Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Interest income from these financial assets is included in finance income using the effective interest rate method. Any gain or loss arising on derecognition is recognised directly in the income statement together with foreign exchange gains and losses. Impairment losses are included in either administrative expenses, or finance costs in the income statement dependent on the type of asset impaired.
- Financial assets at fair value through other comprehensive income (FVOCI): Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at FVOCI. Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest income and foreign exchange gains and losses which are recognised in the income statement. When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to profit or loss and recognised in finance income or costs. Interest income from these financial assets is included in finance income using the effective interest rate method. Foreign exchange gains and losses are presented in administrative expenses and impairment expenses are included in either administrative expenses, or finance costs in the income statement.
- Financial assets at fair value through profit and loss (FVPL): Assets that do not meet the criteria for amortised cost or FVOCI are measured at FVPL. A gain or loss on a debt investment that is subsequently measured at FVPL is recognised in the income statement in the period in which it arises.

Equity instruments
The Group subsequently measures all equity investments at fair value. Where the Group's management has elected to present fair value gains and losses on equity investments in OCI, there is no subsequent reclassification of fair value gains and losses to the income statement following the derecognition of the investment. Dividends from such investments continue to be recognised in the income statement as finance income when the Group's right to receive payments is established.

Changes in the fair value of financial assets at FVPL are recognised in the income statement as applicable. Impairment losses (and reversal of impairment losses) on equity investments measured at FVOCI are not reported separately from other changes in fair value.

(iv) Impairment
The Group assesses, on a forward looking basis, the expected credit losses associated with its debt instruments carried at amortised cost and FVOCI. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

For trade receivables, the Group applies the simplified approach permitted by IFRS 9, which requires expected lifetime losses to be recognised from initial recognition of the receivables, see accounting policy for trade receivables for further details.

Inventories
Inventories are stated at the lower of cost and net realisable value. Cost is determined by the first-in, first-out (FIFO) method.

The cost of finished goods and work in progress comprises raw materials, direct labour, other direct costs and related production overheads based on normal operating capacity. Raw materials include items that are both used in the production of finished goods and items used in the production of other raw material items.

Net realisable value is the estimated selling price in the ordinary course of business, less the costs of completion and selling expenses. A provision is made against the cost of slow-moving, obsolete and other stock lines based on the net realisable value.

1 Accounting policies continued

Trade receivables

Trade receivables are recognised initially at fair value and the Group applies the IFRS 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade receivables and contract assets.

To measure the expected credit losses, trade receivables have been grouped based on shared credit risk characteristics and the days past due. The expected loss rates are based on the payment profiles of sales over a period 12 months up to the end of the relevant financial year, and the corresponding historical credit losses experienced within this period. The historical loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the customers to settle the receivables, such as significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation, and default or delinquency in payments. The carrying amount of the asset is reduced through the use of an allowance account, and the amount of the loss is recognised in the income statement within "distribution costs". When a trade receivable is uncollectable, it is written off against the allowance account for trade receivables. Subsequent recoveries of amounts previously written off are credited against "distribution costs" in the income statement.

Non-current assets and disposal groups held for sale

Non-current assets and disposal groups are classified as assets held for sale when their carrying amount is to be recovered principally through a sale transaction and a sale is considered highly probable. They are stated at the lower of their carrying amount and fair value less costs to sell if their carrying amount is to be recovered principally through a sale transaction rather than through continuing use and a sale is considered highly probable.

Short-term financial assets

Short-term financial assets are defined as cash term deposits with banks with an original term of three months and over.

Cash and cash equivalents

Cash and cash equivalents are defined as cash in hand, on demand deposits and short-term deposits with banks with an original term less than three months.

Current asset investments

Current asset investments are cash and cash equivalents and certain other receivables which generate interest income, and are valued at fair value. Changes in fair value are recognised in the income statement.

Trade payables

Trade payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

Government grants

Government grants relating to costs are deferred and recognised in profit or loss over the period necessary to match them with the costs that they are intended to compensate. Government grants relating to the purchase of property, plant and equipment are included in non-current liabilities as deferred income, and they are credited to profit or loss on a straight-line basis over the expected lives of the related assets.

1 Accounting Policies continued

Financial liabilities

Financial liabilities are initially recognised at fair value, net of transaction costs incurred and subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in profit or loss over the period of the financial liability using the effective interest rate method. Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw-down occurs. To the extent that there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a prepayment for liquidity services and amortised over the period of the facility to which it relates.

Financial liabilities are removed from the statement of financial position when the obligation specified in the contract is discharged, cancelled or expired. The difference between the carrying amount of the financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss as other income or finance costs.

Financial liabilities are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the reporting period.

Costs for financial liabilities are expensed in the period in which they occur.

Provisions

Provisions are recognised in the statement of financial position when a Group company has a present obligation (legal or constructive) as a result of a past event; it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. The amount recognised as a provision is the best estimate of the expenditure required to settle the present obligation at the statement of financial position date.

If the effect is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability. A provision for restructuring is recognised when the Group has approved a detailed and formal restructuring plan, and the restructuring has either commenced or has been announced to those affected by it. In accordance with the Group's published environmental policy and applicable legal requirements, a provision for site restoration in respect of contaminated land is recognised when land is contaminated.

A provision for onerous contracts is recognised when the expected benefits to be derived by the Group from a contract are lower than the unavoidable cost of meeting its obligations under the contract.

Warranty

The Group provides for expected warranty costs covering both specific known warranty claims and calculating expected future warranty claims in order to estimate the expected costs that will arise in respect of products sold within the remaining warranty periods. The expected future warranty claims provision is calculated by assessing historical data, industry failure rates and the Group's knowledge of products to determine the percentage of sales that should be provided for to cover future associated warranty costs.

1 Accounting policies continued

Critical accounting estimates and judgements

The presentation of the annual financial statements in accordance with UK adopted International Accounting Standards and the requirements of the Companies Act 2006 requires the Directors to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected. The key estimates and judgements used in the financial statements are as follows:

Estimates	**Impairment of goodwill/investment in subsidiaries** The Group and the Company undertake impairment reviews for cash generating units (CGUs) at least annually to assess the carrying value of goodwill/investment in subsidiaries and other intangible assets. These reviews apply either discounted cash flows forecast, including terminal values and growth factors if appropriate, or earnings before interest, tax, depreciation and amortisation (EBITDA) (which equates to operating profit adjusted for effect of depreciation and amortisation) multiples to the forecast financial performance of the CGU. Note 9 contains details of reviews that have been carried out. **Warranty** The Group provides for expected warranty costs covering both specific known warranty claims and calculating expected future warranty claims in order to estimate the expected costs that will arise in respect of products sold within the remaining warranty periods. The usual warranty period provided is between 5 and 10 years, dependent on market requirements. The expected future warranty claims provision is calculated by assessing historical data, industry failure rates and the Group's knowledge of products to determine the percentage of sales that should be provided for to cover future associated warranty costs. Note 23 contains details of the warranty provision. If the failure rate assumption used in the provision calculation were to increase by 5%, then the resulting provision would be higher by £130,000. **Zemper non-controlling interests** The Group has the obligation to purchase the remaining shares of the Zemper business from September 2025. To calculate the expected repurchase value the Group has considered the recent and budgeted future performance of the Zemper business analysing forecasted EBITDA, revenue and costs upon which the obligation is based. This analysis is reviewed and updated each year and, if necessary, adjustments are made to ensure that the provision value reflects the best current estimate of settlement with movements recognised in the profit or loss. If the forecast EBITDA assumption were to increase by 5%, the resulting deferred consideration would increase by £258,000. Note 19 contains details of the outstanding obligations. **Lumen (SchahlLED) non-controlling interests** The Group has the obligation to purchase the remaining shares of the Lumen business from September 2025. To calculate the expected repurchase value the Group has considered the recent and budgeted future performance of the Lumen business analysing forecasted EBITDA, revenue and costs upon which the obligation is based. This analysis is reviewed and updated each year and, if necessary, adjustments are made to ensure that the provision value reflects the best current estimate of settlement with movements recognised in the profit or loss. If the forecast EBITDA assumption were to increase by 5%, the resulting contingent consideration would increase by £267,000. Note 19 contains details of the outstanding obligations. **Retirement benefit obligations** The Group recognises its obligations to employee retirement benefits. The quantification of these obligations is subject to significant estimates and assumptions regarding life expectancy, discount and inflation rates and the rate of increase in pension payments. In making these assumptions the Group takes advice from an independent qualified actuary about which assumptions best reflect the nature of the Group's obligations to employee retirement benefits. These assumptions are regularly reviewed by our actuaries Cartwright Benefit Consultants Limited to ensure their appropriateness. Note 22 contains details of the retirement benefit obligations.

1 Accounting policies continued

Judgements	
	Development costs
	The Group undertakes development activities and the commercial viability of these activities is assessed on a continual basis; as such the Group assesses each new project to determine whether development costs incurred should be capitalised within intangible assets or recognised as an expense within administrative expenses. The Group determines this classification based on the future value of the work based on past experience of similar development projects and the feedback from the marketplace about future expectations for technological development.
	Zemper non-controlling interests
	The Group has the obligation to purchase the remaining shares of the Zemper business from September 2025. In determining the expected purchase price the Group has assumed the repurchase will be made commencing in September 2025 thereby assessing the expected purchase price at the date.
	Lumen non-controlling interests
	The Group has the obligation to purchase the remaining shares of the Lumen business from September 2025. In determining the expected purchase price the Group has assumed the repurchase will be made commencing in September 2025 thereby assessing the expected purchase price at the date.
	Retirement benefit obligations
	The Group recognises its obligations to employee retirement benefits. Where the fair value of the pension plan assets exceeds the present value of the defined benefit obligation the Group consider the amount that can be recognised as an asset within the statement of financial position in line with the requirements of IAS 19. A defined benefit surplus is only recognised if it meets the following criteria: if the Group has an unconditional right to a refund; or if the Group can realise it at some point during the life of the plan or when the plan liabilities are settled. As these criteria are not met the Group has decided not to recognise a net retirement benefit asset.

Financial risk factors

The Group's activities expose it to a variety of financial risks: market risk (including currency risk, commodity price risk and security price risk), credit risk and liquidity risk. The Group's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's financial performance. The Group may use derivative financial instruments to hedge certain risk exposures.

(a) Market risk

(i) Foreign exchange risk

The Group operates internationally and is exposed to foreign exchange risk arising from various currency exposures, primarily with respect to the euro, US dollar, Australian dollar and Arab Emirate dirham. Foreign exchange risk arises from future commercial transactions denominated in a currency that is not the entity's functional currency as well as bank account balances, trade and other receivables as well as trade and other payables denominated in currencies other than sterling and net investments in foreign operations. The Group has carried out an exercise to evaluate the effect of an decrease by 1% in exchange rates on each currency other than sterling, the cash and cash equivalents would decrease by £70,000. The risk is managed by maintaining relatively low foreign currency balances and selling or buying foreign currency when required.

(ii) Price risk

The Group is exposed to equity securities price risk because of investments held by the Group and classified on the consolidated statement of financial position either as financial assets at fair value through other comprehensive income or at fair value through profit or loss.

The Group has investments in UK listed securities of other entities and these are publicly traded on the London Stock Exchange. The nature of the list of investments held means the investments can go up and down in value.

The Group holds money market funds that are designated as short term investments and also a range of quoted securities that are designated as financial assets at fair value through other comprehensive income. Management has performed an analysis and do not believe there to be a material sensitivity to changes in underlying price indices arising from these holdings.

1 Accounting policies continued

(iii) Commodity price risk
The Group has an exposure to the risk of commodity price changes, in particular, metals. The Group seeks to minimise the risk by agreeing prices with major suppliers in advance.

(iv) Interest rate risk
The Group is exposed to interest rate risk because it has cash investments and short-term financial assets which are mostly interest-bearing. The effect of a reduction in interest rates is to reduce financial income. The Group has no exposure to the risk of increased interest cost other than pension scheme interest cost.

(b) Credit risk
Credit risk is managed on a Group basis. Credit risk arises from cash and cash equivalents, derivative financial instruments and deposits with banks and financial institutions, as well as credit exposures to wholesale and retail customers, including outstanding receivables and committed transactions. For banks and financial institutions, only independently rated parties with a minimum Fitch rating of F1 are accepted. If wholesale customers are independently rated, these ratings are used. Otherwise, if there is no independent rating, risk control assesses the credit quality of the customer, taking into account its financial position, past experience and other factors. Individual risk limits are set based on internal or external ratings in accordance with limits set by the Board. The utilisation of credit limits is regularly monitored.

(c) Liquidity risk
Prudent liquidity risk management implies maintaining sufficient cash and marketable securities and the ability to close out market positions. Management monitors rolling forecasts of the Group's liquidity reserve, which comprises cash and cash equivalents together with short-term financial assets, see note 17, on the basis of expected cash flow. All external current liabilities are expected to mature within four months.

Capital risk management
The Group's policy has been to maintain a strong capital basis in order to maintain investor, customer, creditor and market confidence. This sustains future development of the business, safeguarding the Group's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders.

In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders or issue new shares. From time to time the Group purchases its own shares in the market; the timing of these purchases is dependent on market prices, to ensure such transactions are sufficiently beneficial for the Company, its earnings per share and returns to investors. The Group continues to seek to maintain the balance of these returns, while strengthening the reserves and equity position of the Company, via continued profitability and structured growth.

The Group has a long-standing policy not to utilise debt within the business, providing a robust capital structure even within the toughest economic conditions. The Group's significant cash resources allow such a position, but also require close management to ensure that sufficient returns are being generated from these resources. The Group's policy with regard to the cash resources is to ensure they generate sufficient returns, whether by investment in business activities, such as plant and equipment, or assessing suitable opportunities to grow the business, or the physical investment of these funds to ensure appropriate returns to investors.

The Group is able to maintain its current capital structure because there are no externally imposed capital requirements, and there were no changes in the Group's approach to capital management during the year.

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders, and to maintain an optimal capital structure to reduce the cost of capital.

1 Accounting policies continued

Fair value estimation

Financial instruments

Financial instruments that are measured at fair value are disclosed in the consolidated financial statements in accordance with the following fair value measurement hierarchy:

i. Quoted prices (unadjusted) in active markets for identical assets and liabilities (level 1)
ii. Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices), or indirectly (that is, derived from prices) (level 2)
iii. Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (level 3)

The fair value of financial instruments that are not traded in an active market is determined by using valuation techniques.

These valuation techniques maximise the use of observable market data where it is available and rely as little as possible on entity specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

Other assets and liabilities

The carrying value less impairment provision of trade receivables and payables are assumed to approximate their fair values. The fair value of financial liabilities for disclosure purposes is estimated by discounting the future contractual cash flows at the current market interest rate that is available to the Group for similar financial instruments.

Share capital

Ordinary shares are classified as equity.

When ordinary shares are issued to shareholders by the Company, the face value of the ordinary shares issued is credited to Issued share capital where the excess of the consideration paid by shareholders over the face value of the ordinary shares issued is credited to a share premium account.

Where any Group company purchases the Company's issued share capital (treasury shares), the consideration paid, including any directly attributable incremental costs (net of income taxes), is deducted from the equity attributable to the Company's equity holders until the shares are cancelled or reissued. Where such shares are subsequently reissued, any consideration received, net of any directly attributable incremental transaction costs and the related income tax effects, is included in equity attributable to the Company's equity holders.

When shares are cancelled, the related face value of the cancelled shares are deducted from the Company's issued share capital and credited to the Company's capital redemption reserve.

Share-based payments

Senior executives of the Group receive remuneration in the form of share-based payments through the executive share ownership plan. The fair value of the shares or share options granted is recognised over the vesting period to reflect the value of the employee services received. The charge relating to grants to employees of the Company is recognised as an expense in the profit and loss account.

The fair value of options granted, excluding the impact of any non-market vesting conditions, is calculated using established option pricing models. The probability of meeting non-market vesting conditions, which include profitability targets, is used to estimate the number of share options that are likely to vest.

2 Segmental analysis

(a) Business segments

The segmental analysis is presented on the same basis as that used for internal reporting purposes. For internal reporting FW Thorpe is organised into twelve operating segments based on the products and customer base in the lighting market – the largest business is Thorlux, which manufactures professional lighting systems for industrial, commercial and controls markets. The businesses of Lumen Intelligence Holding GmbH, SchahlLED Lighting GmbH and Thorlux Lighting Limited are included in this segment in accordance with the Group's internal reporting. The businesses in the Netherlands, Lightronics B.V. and Famostar Emergency Lighting B.V., are material subsidiaries and disclosed separately as Netherlands companies. The businesses in the Zemper Group are also material and disclosed separately as the Zemper Group.

The seven remaining operating segments have been aggregated into the "other companies" reportable segment based upon their size, comprising the entities Philip Payne Limited, Solite Europe Limited, Portland Lighting Limited, TRT Lighting Limited, Thorlux Lighting L.L.C., Thorlux Australasia Pty Limited and Thorlux Lighting GmbH.

FW Thorpe's chief operating decision maker (CODM) is the Group Board. The Group Board reviews the Group's internal reporting in order to monitor and assess performance of the operating segments for the purpose of making decisions about resources to be allocated. Performance is evaluated based on a combination of revenue and operating profit. Assets and liabilities have not been segmented, which is consistent with the Group's internal reporting.

	Thorlux £'000	Netherlands companies £'000	Zemper Group £'000	Other companies £'000	Inter-segment adjustments £'000	Total continuing operations £'000
Year to 30 June 2024						
Revenue to external customers	**99,492**	**37,942**	**19,350**	**19,014**	**–**	**175,798**
Revenue to other Group companies	**3,555**	**220**	**93**	**3,821**	**(7,689)**	**–**
Total revenue	**103,047**	**38,162**	**19,443**	**22,835**	**(7,689)**	**175,798**
EBITDA	**23,402**	**9,810**	**4,595**	**2,347**	**1,431**	**41,585**
Depreciation, amortisation and impairment	**5,495**	**1,223**	**2,607**	**1,629**	**–**	**10,954**
Operating profit before acquisition adjustments	**19,933**	**8,802**	**2,880**	**718**	**30**	**32,363**
Operating profit	**17,907**	**8,587**	**1,988**	**718**	**1,431**	**30,631**
Net finance income						**68**
Share of loss of joint ventures						**(826)**
Profit before income tax						**29,873**

Acquisition adjustments include amortisation charge of intangible assets of £3.1m and gain on changes in fair value of redemption liability of £1.4m.

	Thorlux £'000	Netherlands companies £'000	Zemper Group £'000	Other companies £'000	Inter-segment adjustments £'000	Total continuing operations £'000
Year to 30 June 2023						
Revenue to external customers	101,859	36,226	19,328	19,336	–	176,749
Revenue to other Group companies	3,601	417	–	4,667	(8,685)	–
Total revenue	105,460	36,643	19,328	24,003	(8,685)	176,749
EBITDA	21,458	7,952	4,205	2,392	588	36,595
Depreciation and amortisation	4,212	983	2,307	1,261	–	8,763
Operating profit before acquisition adjustments	18,062	7,187	2,801	1,131	588	29,769
Operating profit	17,246	6,969	1,898	1,131	588	27,832
Net finance expense						(378)
Share of loss of joint ventures						(520)
Profit before income tax						26,934

Acquisition adjustments include amortisation charge of intangible assets of £1.9m.

2 Segmental analysis continued

Inter-segment adjustments to operating profit consist of property rentals on premises owned by FW Thorpe Plc, adjustments to profit related to stocks held within the Group that were supplied by another segment, elimination of inter-segment impairments, changes in fair value of redemption liability, and elimination of profit on transfer of assets between Group companies.

(b)i Geographical analysis

The Group's business segments operate in five main areas: the UK, the Netherlands, Germany, the rest of Europe and the rest of the world. The home country of the Company, which is also the main operating company, is the UK.

	2024 £'000	2023 £'000
UK	**90,330**	89,917
Netherlands	**36,164**	31,845
Germany	**17,554**	21,548
Rest of Europe	**27,693**	30,039
Rest of the world	**4,057**	3,400
	175,798	176,749

(b)ii Geographical analysis by product types

The Group's main business segments primary revenue stream is the sale of light fittings, with some ancillary services and commissioning supporting this revenue stream.

2024 (£'000)	**Light fittings**	**Services**	**Total**
UK	**86,274**	**4,056**	**90,330**
Netherlands	**36,164**	**–**	**36,164**
Germany	**15,785**	**1,769**	**17,554**
Rest of Europe	**27,404**	**289**	**27,693**
Rest of the world	**4,057**	**–**	**4,057**
	169,684	**6,114**	**175,798**

2023 (£'000)	**Light fittings**	**Services**	**Total**
UK	85,193	4,724	89,917
Netherlands	31,845	–	31,845
Germany	18,034	3,514	21,548
Rest of Europe	29,668	371	30,039
Rest of the world	3,400	–	3,400
	168,140	8,609	176,749

3 Operating profit

	2024 £'000	2023 £'000
Profit on disposals of property, plant and equipment	**(125)**	(192)
Profit on disposal of an investment property	**(134)**	–
Depreciation of investment property (note 11)	**45**	20
Depreciation of property, plant and equipment		
– owned assets	**4,051**	3,675
– right-of-use assets (notes 8 and 21)	**763**	614
Amortisation of intangible assets (note 9)	**5,846**	4,454
Impairment of goodwill (note 9)	**249**	–
Changes in fair value of redemption liability in respect of acquisition of Zemper Group	**(1,402)**	–
Cost of inventories recognised as an expense	**59,912**	72,956
Research and development expenditure credit	**(356)**	(382)
Government grants	**(289)**	(122)
Currency gains in income statement	**(507)**	(539)

Services provided by the Company's auditors	2024 £'000	2023 £'000
Fees payable to the Company's auditors for audit of financial statements	**347**	276
Fees payable to the Company's auditors and its associates for other services		
– Audit of the Company's subsidiaries	**191**	98
	538	374

During the year there were no non-audit services provided by PricewaterhouseCoopers LLP (2023: £Nil).

4 Employee information

The average monthly number of employees employed by the Group (including executive directors) during the year is analysed below:

	Group		Company	
Average headcount	2024 Number	2023 Number	2024 Number	2023 Number
Production	**438**	432	**264**	260
Sales and distribution	**277**	257	**121**	121
Administration	**247**	255	**125**	129
Total average headcount	**962**	944	**510**	510

	Group		Company	
Employment costs of all employees (including executive directors)	2024 £'000	2023 £'000	2024 £'000	2023 £'000
Wages and salaries	**44,335**	40,511	**25,738**	22,783
Social security costs	**5,687**	5,222	**2,479**	2,203
Other pension costs	**2,032**	2,174	**1,215**	1,434
	52,054	47,907	**29,432**	26,420

Included in wages and salaries are £1,708,000 (2023: £2,319,000) of temporary employees costs.

Other pension costs include contributions to pension schemes and other employer's pension related charges comprising life assurance of £112,000 (2023: £99,000), pension administration and professional charges of £180,000 (2023: £116,000) and private pension schemes amounting to £5,000 (2023: £5,000).

4 Employee information continued

Contributions to the defined contribution section amounted to £211,000 (2023: £229,000) and contributions to other schemes administered independently of the FW Thorpe pension schemes amounted to £1,451,000 (2023: £1,262,000).

	Group		Company	
Directors' emoluments	**2024 £'000**	2023 £'000	**2024 £'000**	2023 £'000
Aggregate emoluments	**2,217**	2,536	**2,155**	2,340
Contributions to money purchase schemes	**–**	9	**–**	9
	2,217	2,545	**2,155**	2,349

For the year ended 30 June 2024 no retirement benefits were accruing to any director (2023: nil) under the defined benefit scheme and to J E Thorpe (2023: J E Thorpe) under the defined contribution scheme. Additionally, compensation payments for the loss of pension contributions totalling £283,000 (2023: £273,000) were made to 3 (2023: 4) directors.

	Group		Company	
Highest paid director	**2024 £'000**	2023 £'000	**2024 £'000**	2023 £'000
Total of emoluments and amounts receivable	**780**	674	**780**	674

Compensation payments for the loss of pension contributions for the highest paid director were £54,000 (2023: £52,000).

The key management personnel are the Group Board directors.

Further details are provided in the Directors' Remuneration Report on pages 98 to 101.

5 Net finance expense

	2024 £'000	2023 £'000
Finance income		
Current assets		
Interest receivable	**585**	236
Non-current assets		
Dividend income on financial assets at fair value through other comprehensive income	**182**	209
Net rental income	**207**	103
Loan interest income	**153**	168
Total finance income	**1,127**	716
Finance expense		
Current liabilities		
Interest payable	**54**	94
Lease liability interest expense (note 21)	**237**	236
Non-controlling interest	**474**	755
Non-current liabilities		
Loan interest expense	**6**	9
Fair value adjustment on loans	**288**	–
Total finance expense	**1,059**	1,094
Net finance income/(expense)	**68**	(378)

6 Income tax expense

Analysis of income tax expense in the year:

	2024 £'000	2023 £'000
Current tax		
Current tax on profits for the year	**6,622**	5,515
Adjustments in respect of prior years	**(217)**	(313)
Total current tax	**6,405**	5,202
Deferred tax		
Origination and reversal of temporary differences	**(845)**	(202)
Total deferred tax	**(845)**	(202)
Income tax expense	**5,560**	5,000

The tax assessed for the year is lower (2023: lower) than the standard rate of corporation tax in the UK of 25% (2023: 20.5%). The differences are explained below:

	2024 £'000	2023 £'000
Profit before income tax	**29,873**	26,934
Profit on ordinary activities multiplied by the standard rate in the UK of 25% (2023: 20.5%)	**7,468**	5,521
Effects of:		
Expenses not deductible for tax purposes	**1,529**	1,150
Accelerated tax allowances and other timing differences	**(810)**	(145)
Adjustments in respect of prior years	**(217)**	(313)
Patent box relief	**(2,400)**	(1,718)
Foreign profit taxed at higher rate	**(10)**	505
Tax charge	**5,560**	5,000

The effective tax rate was 18.61% (2023: 18.56%). Adjustments in respect of prior years relate to refunds received for prudent assumptions on additional investment allowances and patent box relief in the tax calculations.

The UK corporation tax rate increased from 19% to 25% from 1 April 2023, which was substantively enacted in May 2021 and an standard rate of 25% (2023: average standard rate of 20.5%) is applicable to the Company during the current year. Deferred tax assets and liabilities have been calculated based on a rate at which they are expected to crystallise.

7 Earnings per share

Basic and diluted earnings per share for profit attributable to equity holders of the Company

Basic earnings per share is calculated by dividing the profit attributable to equity holders of the Company by the weighted average number of ordinary shares in issue during the year, excluding ordinary shares purchased by the Company and held as treasury shares.

Basic	2024	2023
Weighted average number of ordinary shares in issue	**117,256,012**	117,199,805
Profit attributable to equity holders of the Company (£'000)	**24,313**	21,934
Basic earnings per share (pence per share) total	**20.73**	18.72

Diluted earnings per share is calculated by dividing the profit attributable to equity holders of the Company by the weighted average number of ordinary shares in issue during the year, excluding ordinary shares purchased by the Company and held as treasury shares, plus the number of shares earned for share options where performance conditions have been achieved.

Diluted	2024	2023
Weighted average number of ordinary shares in issue (diluted)	**117,294,290**	117,294,937
Profit attributable to equity holders of the Company (£'000)	**24,313**	21,934
Diluted earnings per share (pence per share) total	**20.73**	18.70

8 Property, plant and equipment

	Group				Company			
	Freehold land and buildings £'000	Plant and equipment £'000	Right-of-use assets £'000	Total £'000	Freehold land and buildings £'000	Plant and equipment £'000	Right-of-use assets £'000	Total £'000
Cost								
At 1 July 2023	28,219	37,689	5,942	71,850	7,326	23,268	31	30,625
Additions	614	4,507	431	5,552	5	2,353	–	2,358
Transfer to investment properties	(891)	–	–	(891)	–	–	–	–
Disposals	(12)	(1,236)	(232)	(1,480)	–	(584)	–	(584)
Currency translation	(170)	(144)	(86)	(400)	–	–	–	–
At 30 June 2024	**27,760**	**40,816**	**6,055**	**74,631**	**7,331**	**25,037**	**31**	**32,399**
Accumulated depreciation								
At 1 July 2023	6,211	24,758	2,118	33,087	2,736	16,140	4	18,880
Charge for the year	834	3,217	763	4,814	191	1,834	8	2,033
Transfer to investment properties	(240)	–	–	(240)	–	–	–	–
Disposals	(11)	(955)	(232)	(1,198)	–	(430)	–	(430)
Currency translation	(28)	(91)	(36)	(155)	–	–	–	–
At 30 June 2024	**6,766**	**26,929**	**2,613**	**36,308**	**2,927**	**17,544**	**12**	**20,483**
Net book amount								
At 30 June 2024	**20,994**	**13,887**	**3,442**	**38,323**	**4,404**	**7,493**	**19**	**11,916**

	Group				Company			
	Freehold land and buildings £'000	Plant and equipment £'000	Right-of-use assets £'000	Total £'000	Freehold land and buildings £'000	Plant and equipment £'000	Right-of-use assets £'000	Total £'000
Cost								
At 1 July 2022	25,354	33,795	4,356	63,505	6,592	21,965	–	28,557
Acquisition of subsidiaries*	–	50	134	184	–	–	–	–
Additions	2,892	4,847	1,751	9,490	734	1,965	31	2,730
Disposals	–	(970)	(278)	(1,248)	–	(662)	–	(662)
Currency translation	(27)	(33)	(21)	(81)	–	–	–	–
At 30 June 2023	**28,219**	**37,689**	**5,942**	**71,850**	**7,326**	**23,268**	**31**	**30,625**
Accumulated depreciation								
At 1 July 2022	5,477	22,518	1,692	29,687	2,559	14,928	–	17,487
Acquisition of subsidiaries*	–	–	38	38	–	–	–	–
Charge for the year	738	2,937	614	4,289	177	1,660	4	1,841
Disposals	–	(685)	(220)	(905)	–	(448)	–	(448)
Currency translation	(4)	(12)	(6)	(22)	–	–	–	–
At 30 June 2023	**6,211**	**24,758**	**2,118**	**33,087**	**2,736**	**16,140**	**4**	**18,880**
Net book amount								
At 30 June 2023	**22,008**	**12,931**	**3,824**	**38,763**	**4,590**	**7,128**	**27**	**11,745**

* Acquisition of subsidiaries are the assets acquired from the purchase of the Lumen companies with a fair value of £146,000.

Freehold land which was not depreciated at 30 June 2024 amounted to £755,000 (2023: £758,000) (Group) and £500,000 (2023: £500,000) (Company).

9 Intangible assets

Group 2024	Goodwill £'000	Development costs £'000	Technology £'000	Brand name £'000	Customer relationship £'000	Software £'000	Patents £'000	Fishing rights £'000	Total £'000
Cost									
At 1 July 2023	47,003	13,956	2,893	5,164	15,078	3,747	159	182	88,182
Additions	–	2,019	–	–	–	133	20	–	2,172
Disposals	–	(1,902)	–	–	–	(20)	–	–	(1,922)
Write-offs	(481)	–	–	–	–	–	–	–	(481)
Currency translation	(620)	(119)	(36)	(70)	(214)	(7)	(1)	–	(1,067)
At 30 June 2024	**45,902**	**13,954**	**2,857**	**5,094**	**14,864**	**3,853**	**178**	**182**	**86,884**
Accumulated amortisation and impairment									
At 1 July 2023	233	7,925	2,643	1,702	1,806	2,826	156	–	17,291
Charge for the year	–	2,351	149	1,419	1,566	361	–	–	5,846
Impairment	249	–	–	–	–	–	–	–	249
Disposals	–	(1,902)	–	–	–	(20)	–	–	(1,922)
Write-offs	(481)	–	–	–	–	–	–	–	(481)
Currency translation	(1)	(78)	(35)	(40)	(46)	(3)	–	–	(203)
At 30 June 2024	**–**	**8,296**	**2,757**	**3,081**	**3,326**	**3,164**	**156**	**–**	**20,780**
Net book amount									
At 30 June 2024	**45,902**	**5,658**	**100**	**2,013**	**11,538**	**689**	**22**	**182**	**66,104**

Group 2023	Goodwill £'000	Development costs £'000	Technology £'000	Brand name £'000	Customer relationship £'000	Software £'000	Patents £'000	Fishing rights £'000	Total £'000
Cost									
At 1 July 2022	32,778	16,320	2,895	3,845	9,460	3,344	159	182	68,983
Acquisition of subsidiaries*	14,624	–	–	1,354	5,759	38	–	–	21,775
Additions	–	1,874	–	–	–	381	–	–	2,255
Disposals	–	–	–	–	–	(12)	–	–	(12)
Write-offs	–	(4,228)	–	–	–	–	–	–	(4,228)
Currency translation	(399)	(10)	(2)	(35)	(141)	(4)	–	–	(591)
At 30 June 2023	47,003	13,956	2,893	5,164	15,078	3,747	159	182	88,182
Accumulated amortisation									
At 1 July 2022	252	10,009	2,495	1,273	473	2,460	156	–	17,118
Charge for the year	–	2,152	151	434	1,350	367	–	–	4,454
Disposals	–	–	–	–	–	(1)	–	–	(1)
Write-offs	–	(4,228)	–	–	–	–	–	–	(4,228)
Currency translation	(19)	(8)	(3)	(5)	(17)	–	–	–	(52)
At 30 June 2023	233	7,925	2,643	1,702	1,806	2,826	156	–	17,291
Net book amount									
At 30 June 2023	46,770	6,031	250	3,462	13,272	921	3	182	70,891

* Acquisition of subsidiaries are the assets acquired from the purchase of the Lumen companies with a fair value of £7,151,000, excluding goodwill.

Write-offs relate to assets where no further economic benefits will be obtained. Development costs primarily consist of internally generated development costs.

9 Intangible assets continued

Amortisation of £5,846,000 (2023: £4,454,000) is included in the administrative expenses. Included in goodwill are amounts of £285,000 (2023: £285,000) arising from the acquisition of Solite Europe Limited in 2009, £2,618,000 (2023: £2,618,000) arising from the acquisition of Portland Lighting Limited in 2011, €7,784,000 (£6,598,000) (2023: €7,784,000 (£6,692,000)) arising from the acquisition of FW Thorpe Nederland B.V. in 2015, AU$nil (£nil) (2023: AU$478,000 (£252,000)) arising from the acquisition of Thorlux Australasia Pty Ltd in 2016, €5,057,000 (£4,287,000) (2023: €5,057,000 (£4,348,000)) arising from the acquisition of Famostar Emergency Lighting B.V. in December 2017, €21,273,000 (£18,031,000) (2023: €21,273,000 (£18,289,000)) arising from the acquisition of Electrozemper S.A. in October 2021 and €16,616,000 (£14,083,000) (2023: €16,616,000 (£14,286,000) arising from the acquisition of Lumen Intelligence Holding GmbH in September 2022. This goodwill is not amortised and test for impairment annually.

The goodwill for Lightronics B.V., Famostar Emergency Lighting B.V., Electrozemper S.A and Lumen Intelligence Holding GmbH is revalued annually to the closing exchange rate, as it is denominated in Euros, with the movement recorded in exchange differences on translation of foreign operations in the Statement of Changes in Equity.

The Group tests intangible assets annually for impairment, or more frequently if there are indications of impairment, for each relevant cash generating unit (CGU). CGUs in the Group comprise the entities FW Thorpe Plc, FW Thorpe Nederland B.V. (formerly Lightronics Participaties B.V.), Lightronics B.V., Philip Payne Limited, Solite Europe Limited, Portland Lighting Limited, TRT Lighting Limited, Thorlux Lighting L.L.C., Thorlux Australasia Pty Limited, Thorlux Lighting GmbH, Famostar Emergency Lighting B.V., Electrozemper S.L, Zemper France S.A.R.L. S.A, RGB S.L., Thorlux Lighting Limited, Lumen Intelligence Holding GmbH and SchahlLED Lighting GmbH.

For Portland Lighting Limited and Lumen Intelligence Holding GmbH, the value in use has been determined using cash flow projections covering a five year period with a terminal value all discounted at a rate of 11.0%. For an impairment to be required, the discount rate would need to exceed 18.5% (Group) and 16.7% (Company: investments in subsidiaries) for Portland Lighting Limited, and 16.7% (Group) and 25.1% (Company: financial assets at amortised cost) for Lumen Intelligence Holding GmbH. Alternatively, the discounted cash flows would need to be reduced by 24.8% (Group) and 19.8% (Company: Investments in subsidiaries) for Portland Lighting Limited, and 20.4% (Group) and 41.7% (Company: financial assets at amortised cost) for Lumen Intelligence Holding GmbH.

For all other CGUs an EBITDA analysis is used as an alternative method to compute their fair value less costs to sell to compare against the net carrying value of the goodwill and other intangible assets for each CGU as appropriate. A multiple based on a six times EBITDA, that we consider a reasonable multiple for the sector, is used in these computations, except for Zemper CGUs where an EBITDA multiple of ten has been used in accordance with the agreement upon which the contingent consideration is based.

At expected levels of EBITDA we consider that our goodwill is fully recoverable with headroom on the Lightronics and Famostar CGUs of £27.0m in the Group and £25.2m in the Company (investments in subsidiaries, financial assets at amortised cost and amounts due from Group companies).

For Zemper CGUs, our assessment considers business performance and likely net realisable value, which must be assessed as part of settlement of non-controlling interest rights. At expected levels of EBITDA we consider that our goodwill is fully recoverable with headroom on the Zemper CGUs of £5.4m in the Group and £2.9m in the Company (financial assets at amortised cost).

For Thorlux Australasia Pty Ltd, due to lack of cash flows it fails to generate EBITDA or sufficient cash flow projections to recover its goodwill. Therefore goodwill impairment of AU$478,000 (£249,000) (2023: AU$nil (£nil)) relating to the operation of Thorlux Australasia Pty Ltd was charged to the consolidated income statement in the current year. The cost and accumulated impairment of the goodwill for Thorlux Australasia Pty Ltd is derecognised as it is fully impaired.

9 Intangible assets continued

Company 2024	Development costs £'000	Software £'000	Patents £'000	Fishing rights £'000	Total £'000
Cost					
At 1 July 2023	3,962	3,156	150	182	7,450
Additions	705	59	–	–	764
Disposals	(1,150)	–	–	–	(1,150)
At 30 June 2024	**3,517**	**3,215**	**150**	**182**	**7,064**
Accumulated amortisation					
At 1 July 2023	1,698	2,542	150	–	4,390
Charge for the year	1,035	250	–	–	1,285
Disposals	(1,150)	–	–	–	(1,150)
At 30 June 2024	**1,583**	**2,792**	**150**	**–**	**4,525**
Net book amount					
At 30 June 2024	**1,934**	**423**	**–**	**182**	**2,539**

Disposals relate to development assets where no further economic benefits will be obtained.

Company 2023	Development costs £'000	Software £'000	Patents £'000	Fishing rights £'000	Total £'000
Cost					
At 1 July 2022	7,198	3,014	150	182	10,544
Additions	839	154	–	–	993
Disposals	–	(12)	–	–	(12)
Write-offs	(4,075)	–	–	–	(4,075)
At 30 June 2023	**3,962**	**3,156**	**150**	**182**	**7,450**
Accumulated amortisation					
At 1 July 2022	4,656	2,207	150	–	7,013
Charge for the year	1,117	336	–	–	1,453
Disposals	–	(1)	–	–	(1)
Write-offs	(4,075)	–	–	–	(4,075)
At 30 June 2023	**1,698**	**2,542**	**150**	**–**	**4,390**
Net book amount					
At 30 June 2023	**2,264**	**614**	**–**	**182**	**3,060**

For development costs, the Group capitalises employee costs and directly attributable material costs necessary to design, construct and test new and improved product ranges and technology. These costs are only capitalised where they meet all the criteria set out in IAS 38.

Where development costs relate to products or technologies that are not expected to generate future economic benefits, do not meet the requirements of IAS 38 or relate to research, they are charged to the income statement.

10 Investments in subsidiaries

The cost of investments in subsidiaries is as follows:

	Company	
	2024 **£'000**	2023 £'000
Investments in subsidiaries – cost	**20,486**	20,486

The movement in the investment and provisions is as follows:

	Costs		Provision	
	2024 **£'000**	2023 £'000	**2024** **£'000**	2023 £'000
At 1 July and 30 June	**20,486**	**20,486**	**–**	–

Impairment for investments in subsidiaries has been considered within the headroom shown in note 9.

Details of the Company's subsidiaries are included in note 33.

11 Investment properties

	Group		Company	
	2024 **£'000**	2023 £'000	**2024** **£'000**	2023 £'000
Cost				
At 1 July	**2,284**	2,262	**11,767**	11,745
Additions	**2,179**	22	**2,179**	22
Disposal	**(368)**	–	**(368)**	–
Transfer from property, plant and equipment	**891**	–	**–**	–
At 30 June	**4,986**	2,284	**13,578**	11,767
Accumulated depreciation				
At 1 July	**298**	278	**2,031**	1,778
Charge for the year	**45**	20	**253**	253
Transfer from property plant and equipment	**240**	–	**–**	–
At 30 June	**583**	298	**2,284**	2,031
Net book amount				
At 30 June	**4,403**	1,986	**11,294**	9,736

The following amounts have been recognised in the income statement:

	Group		Company	
	2024 **£'000**	2023 £'000	**2024** **£'000**	2023 £'000
Rental income	**151**	141	**491**	479
Direct operating expenses arising from investment properties that generate rental income	**(101)**	(57)	**(308)**	(290)

The investment properties and land owned by the Group consist of properties held for investment purposes, a property with land and fishing rights by the River Wye, and lands designated for woodland in Monmouthshire and Herefordshire. The associated fishing rights for the property by the River Wye are included in intangible assets.

11 Investment properties continued

Investment properties of £3,029,000 (2023: £1,296,000) are freehold land and therefore not depreciated; the property element includes accumulated depreciation of £583,000 (2023: £298,000) which relates to the properties occupied by Mackwell Electronics Limited and Ratio EV Limited. This investment properties have been independently valued and have market values that are not materially higher than their costs.

An external fair value exercise of the land by the River Wye and the land in Monmouthshire was last undertaken in June 2023 resulting in a valuation of £2.3m, which is greater than the carrying value of those specific investment properties.

The Company's investment properties consist of land and buildings used by subsidiaries in their normal course of business. The Company receives rental income from the subsidiaries for the use of these premises and incurs amortisation costs.

Each investment property generates rental income.

12 Financial assets at amortised cost

The Group classifies its financial assets at amortised cost only if both of the following criteria are met:

- the asset is held within a business model whose objective is to collect the contractual cash flows; and
- the contractual terms give rise to cash flows that are solely payments of principal and interest.

Financial assets at amortised cost include the following debt investments. The Group applied the expected credit risk model to calculate the impairment provision.

Ratio Holding B.V. and Ratio EV Limited

Pursuant to the investment in Ratio Holding B.V., the Group has issued loan notes of €1,500,000 (£1,272,000) (2023: €1,500,000 (£1,290,000)) to help fund the development of this business. With accrued interest, the balance at 30 June 2024 is €1,626,000 (£1,379,000) (2023: €1,566,000 (£1,347,000)).

In addition, the Group has issued loan notes of £2,165,000 (2023: £1,250,000) to Ratio EV Limited, a wholly-owned subsidiary of Ratio Holding B.V., to help fund the development of its business. With accrued interest, the balance at 30 June 2024 is £2,245,000 (2023: £1,266,000).

The debt investments have shown no significant increase in credit risk since the inception of the loans, and therefore the impairment provision is determined as 12 months expected credit losses. As at the date of these financial statements, no impairment was recorded.

Luxintec S.L.

In the year ended 30 June 2021 loan notes of €869,000 (£746,000) were provided to Luxintec S.L., an investment in the Company is held under financial assets at fair value through other comprehensive income, with ordinary interest payable at 1.5% fixed rate payable quarterly. This loan is secured against the Company assets.

This debt investment is considered to have a risk of default despite the collateral that is held as security, and therefore the impairment provision is determined as 12 months expected credit losses. As at the date of these financial statements, a impairment of €869,000 (£737,000) (2023: €589,000 (£506,000)) was recorded.

At the date of the financial statements, the loan notes balance was €nil (2023: €281,000) equating to £nil (2023: £240,000) at the end of year exchange rate.

Term deposits with insurance feature

During the current year, the Group has placed two term deposits with insurance feature with a bank amounted to €220,000 equating to £186,000 (2023: €nil (£nil)) at end of year exchange rate.

The debt investments have shown no significant increase in credit risk since the inception of the deposits, and therefore the impairment provision is determined as 12 months expected credit losses. As at the date of these financial statements, no impairment was recorded.

12 Financial assets at amortised cost continued

We assess the credit risk of our loan note receivables, based on the creditworthiness of the counterparty, history of repayment and security in place, and where required provisions are made.

	Group		Company	
	2024 **£'000**	2023 £'000	**2024** **£'000**	2023 £'000
At 1 July	**2,853**	2,924	**52,126**	33,682
Issued	**1,082**	1,748	**6,540**	22,885
Repaid	**–**	(1,813)	**(3,238)**	(2,624)
Fair value adjustment	**(288)**	–	**(468)**	(1,404)
Exchange rate movement	**(24)**	(6)	**(816)**	(413)
At 30 June	**3,623**	2,853	**54,144**	52,126

	Group		Company	
Analysis of total financial assets at amortised cost	**2024** **£'000**	2023 £'000	**2024** **£'000**	2023 £'000
Non-current	**186**	1,587	**–**	240
Current	**3,437**	1,266	**54,144**	51,886
	3,623	2,853	**54,144**	52,126

The £6,524,000 (2023: £22,885,000) loans issued by the Company are £4,783,000 (£7,172,000) to FW Thorpe Espana S.L.U., £611,000 (2023: £14,123,000) issued to FW Thorpe Nederland B.V., £180,000 (2023: £311,000) to Thorlux Lighting L.L.C., £915,000 (2023: £1,266,000) issued to Ratio EV Limited and £51,000 (2023: £nil) to an independent third party distributor in France.

The debt investments to FW Thorpe Espana S.L.U. of €36,795,000 (£31,187,000) (2023: €31,278,000 (£26,892,000)), FW Thorpe Nederland B.V. of €24,530,000 (£20,791,000) (2023: €27,272,000 (£23,447,000)) and Ratio EV of £2,165,000 (2023: £1,266,000) have shown no significant increase in credit risk since the inception of the loans, and therefore the impairment provision is determined as 12 months expected credit losses. As at the date of these financial statements, no provision was recorded.

The debt investments to Thorlux Lighting L.L.C. of £2,355,000 and an independent third party distributor of £51,000 are considered to be underperforming and therefore the impairment provision is determined as lifetime expected credit losses. As at the date of these financial statements, the Company has made a provision of £2,406,000 (2023: £2,175,000) for these loan notes based on an expected credit loss of 100%.

13 Equity accounted joint ventures

The Group invested €6,731,000 (£5,705,000) (2023: €6,762,000 (£5,814,000)) for 50% of the share capital of Ratio Holding B.V., a company based in the Netherlands in December 2021. The amount consists of an initial investment of €5,750,000 (£4,874,000), costs of €12,000 (£10,000) (2023: €12,000 (£10,000)) and a further €969,000 (£821,000) (2023: €1,000,000 (£860,000)) for payment in August 2024. The Group has applied the equity accounting method to recognise this interest.

The Group assesses on a forward looking basis the associated expected credit losses and the impairment methodology applied depends on whether there has been a significant increase in credit risk, as allowed under IFRS 9. As at the date of these financial statements, no provision was recorded for the Group.

13 Equity accounted joint ventures continued

	Group		Company	
	2024 £'000	2023 £'000	**2024 £'000**	2023 £'000
At 1 July	**5,592**	6,112	**–**	–
Share of joint venture loss	**(826)**	(520)	**–**	–
Currency translation	**(95)**	–	**–**	–
At 30 June	**4,671**	5,592	**–**	–

In the year to 30 June 2024, the joint venture, Ratio Holdings B.V. generated a loss after tax of €1,987,000 (£1,706,000) (2023: €1,199,000 (£1,041,000)).

The Group has recognised its 50% share of loss of €993,000 (£853,000) (2023: €599,000 (£520,000)) in the Income Statement, plus changes in fair value of deferred consideration of €31,000 (£27,000).

No further analysis of the joint ventures has been provided as the activities are not considered material to the Group.

14 Financial assets at fair value through other comprehensive income

	Group		Company	
	2024 £'000	2023 £'000	**2024 £'000**	2023 £'000
Beginning of year	**3,364**	3,470	**3,334**	3,439
Net disposals	**(9)**	(1)	**–**	–
Revaluation	**403**	(105)	**403**	(105)
Currency translation	**(1)**	–	**–**	–
At 30 June	**3,757**	3,364	**3,737**	3,334

Regular purchases and sales of financial assets are recognised on the trade date – the date on which the Group commits to purchase or sell the asset. Investments are initially recognised at fair value plus transaction costs for all financial assets not carried at fair value through profit or loss. Financial assets are derecognised when the rights to receive cash flows from the investments have expired or have been transferred and the Group has transferred substantially all risks and rewards of ownership. Financial assets at fair value through other comprehensive income are subsequently carried at fair value.

Financial assets at fair value through other comprehensive income comprise:

i. Listed equity in the UK, and are denominated in UK pounds. None of these assets is either past due or impaired. At the date of the financial statements, the aggregate fair value for these investments is £3,737,000 (2023: £3,334,000);
ii. Unlisted equity in Spain held by Electrozemper S.A., denominated in euros. None of these assets is either past due or impaired. At the date of the financial statements, the aggregate fair value for these investments is £20,000 (2023: £30,000); and
iii. The Group invested €1,200,000 for 40% of the share capital of Luxintec S.L., a company based in Spain, in 2016. This is classified as financial assets at fair value through other comprehensive income as the Group is not able to assert influence over the management of this investment. At the date of the financial statements, the balance for this investment is £nil (2023: £nil).

The Group assesses at the end of each reporting year whether there is objective evidence that a financial asset or a group of financial assets is impaired. For equity investments classified as financial assets at fair value through other comprehensive income, a significant or prolonged decline in the fair value of the security below its cost is evidence that the assets are impaired. If any such evidence exists for financial assets at fair value through other comprehensive income, the cumulative loss – measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that financial asset previously recognised in profit or loss – is removed from equity and recognised in the Consolidated Income Statement. Impairment losses recognised in the Consolidated Income Statement on equity instruments are not reversed through the Consolidated Income Statement.

15 Inventories

	Group		Company	
	2024	2023	**2024**	2023
	£'000	£'000	**£'000**	£'000
Raw materials	**17,660**	21,223	**6,357**	8,333
Work in progress	**4,456**	3,900	**3,176**	2,469
Finished goods	**6,881**	8,314	**3,537**	4,623
	28,997	33,437	**13,070**	15,425

The value of the inventory provision is £6,467,000 (2023: £5,122,000) for the Group and £3,737,000 (2023: £2,785,000) for the Company.

The cost of inventories sold recognised as an expense is disclosed in note 3.

16 Trade and other receivables

	Group		Company	
	2024	2023	**2024**	2023
Current	**£'000**	£'000	**£'000**	£'000
Trade receivables	**31,441**	30,581	**16,066**	11,878
Other receivables	**2,334**	2,451	**1,326**	1,541
Prepayments and accrued income	**1,989**	2,701	**912**	1,917
Amounts owed by subsidiaries	**–**	–	**6,159**	11,274
Total	**35,764**	35,733	**24,463**	26,610

Amounts owed by subsidiaries, except cash balances, are unsecured, interest free and have no fixed date for repayment.

	Group		Company	
	2024	2023	**2024**	2023
	£'000	£'000	**£'000**	£'000
Trade receivables past due date not provided	**1,333**	2,316	**498**	1,229

A significant proportion of the amounts past due date were settled shortly after the end of the financial year, and taken together with the credit insurance policy and good credit history, the directors consider that there is no impairment and the trade receivables are therefore stated at their fair value, which equals their book value.

The carrying amounts of the trade receivables for the Group company Zemper France S.A.R.L. include receivables which are subject to a factoring arrangement. Under this arrangement, the company has transferred the relevant receivables to the factor in exchange for cash and is prevented from selling or pledging the receivables. However, Zemper France S.A.R.L. retains the late payment and credit risk. The Group therefore continues to recognise the transferred assets in their entirety in its balance sheet. Zemper France S.A.R.L. only receives money from the factor when needed and the amount repayable under the factoring agreement is presented as secured borrowing. The Group considers that the 'held to collect' business model remains appropriate for these receivables, and hence it continues measuring them at amortised cost. The relevant carrying amounts for transferred receivables are €1,133,000 (£960,000) (2023: €1,670,000 (£1,436,000)) and the amount received from the factor as secured borrowing is €800,000 (£678,000) (2023: €1,197,000 (£1,030,000)).

The Group applies the IFRS 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade receivables and contract assets. A significant proportion of the trade receivables are insured.

16 Trade and other receivables continued

The policy covers 90% of the debt in the event of a claim for default, where the customer is in severe financial difficulty. No bad debt provision is made in respect of trade receivables from Government departments or agencies. At 30 June 2024 the bad debt provision for the Group amounted to £685,000 (2023: £728,000) and for the Company £436,000 (2023: £343,000).

No provision is held against trade receivables that are not yet due, due to the good credit history and expected financial performance of customers and the overall exposure is considered low due to levels of credit insurance in place. Credit limits are reviewed at least every 6 months to assess and amend, where appropriate, the credit limit offered to customers.

Included in the Company's amounts owed by subsidiaries are provisions for expected credit losses for Thorlux Lighting L.L.C. of £650,000 (2023: £515,000) and Thorlux Australasia PTY Limited of £1,909,000 (2023: £930,000), based on an expected credit loss of 100%. and 98.5%, respectively.

During the year the following amounts were written off (excluding amounts owed by subsidiaries):

	Group		Company	
	2024 £'000	2023 £'000	**2024 £'000**	2023 £'000
Bad debts written off	**200**	214	**160**	105
Bad debts recovered	**(141)**	(139)	**(131)**	(130)
Net bad debt expense/ (income)	**59**	75	**29**	(25)

At 30 June 2024, trade receivables were due to the Group and Company in the following currency denominations:

	Group		Company	
	2024 £'000	2023 £'000	**2024 £'000**	2023 £'000
Due in £ sterling	**18,457**	13,645	**15,644**	11,524
Due in € euro	**12,849**	16,659	**422**	354
Due in UAE dirham	**5**	24	**–**	–
Due in AUD Australian dollars	**130**	253	**–**	–
	31,441	30,581	**16,066**	11,878

The other assets within trade and other receivables do not contain impaired assets.

The maximum exposure to credit risk at the reporting date is the carrying value of each class of receivable mentioned above. The Group does not hold any collateral as security.

17 Short-term financial assets

	Group		Company	
	2024 £'000	2023 £'000	**2024 £'000**	2023 £'000
At 1 July	**4**	5,079	**–**	5,075
Net deposits/(withdrawals)	**18,994**	(5,075)	**16,418**	(5,075)
Currency translation	**(33)**	–	**–**	–
At 30 June	**18,965**	4	**16,418**	–

The short-term financial assets consist of term cash deposits with an original term in excess of three months.

The banks where the deposits are held have a minimum rating of "A" by Fitch, with a specific rating of "F1" for short-term funds.

18 Cash and cash equivalents

	Group		Company	
	2024 £'000	2023 £'000	**2024 £'000**	2023 £'000
Cash at bank and in hand	**33,943**	35,013	**21,806**	25,527

The banks where the funds are held have a minimum rating of "A" by Fitch, with a specific rating of "F1" for short-term funds.

19 Trade and other payables

	Group		Company	
Current liabilities	**2024 £'000**	2023 £'000 (Restated)*	**2024 £'000**	2023 £'000 (Restated)*
Trade payables	**13,345**	14,908	**7,246**	7,920
Contract liabilities	**461**	73	**123**	73
Other payables	**4,115**	8,671	**337**	317
Social security and other taxes	**4,489**	3,475	**2,344**	1,439
Deferred income	**2,359**	1,067	**2,131**	954
Accruals	**10,614**	9,263	**7,888**	6,436
Amounts owed to subsidiaries	**–**	–	**3,644**	5,963
Total	**35,383**	37,457	**23,713**	23,102

	Group		Company	
Non-current liabilities	**2024 £'000**	2023 £'000	**2024 £'000**	2023 £'000
Other payables	**10,418**	11,987	**–**	–
Total	**10,418**	11,987	**–**	–

* Accruals and deferred income for the prior year have been restated as separate items.

Amounts owed to subsidiaries, except for subsidiaries' cash balances managed by the Company, are unsecured, interest free and have no fixed date of repayment. Amounts owed in relation to subsidiaries' cash balances generate interest in line with the Group's deposit facilities.

Included within other payables are commitment to purchase the remaining outstanding shares in Electrozemper S.A. of €6,000,000 (£5,087,000) (2023: €12,623,000 (£10,853,000)) and Lumen Intelligence Holding GmbH of €6,327,000 (£5,362,000) (2023: €7,508,000 (£6,455,000). Of these amounts €99,000 (£83,000) (2023: €6,248,000 (£5,372,000)) is included in current liabilities and €11,264,000 (£10,366,000) (2023: €13,883,000 (£11,936,000) in non-current liabilities. Other payables also includes €969,000 (£820,000) (2023: €1,000,000 (£860,000) deferred consideration for the investment in Ratio Holding B.V. which is within current liabilities.

Non-Current liabilities also includes £52,000 (2023: £51,000) post employment benefits at Thorlux Australasia Pty Limited and Thorlux Lighting L.L.C.

20 Financial liabilities

Financial liabilities	Group 2024 £'000	Group 2023 £'000	Company 2024 £'000	Company 2023 £'000
At 1 July	**2,896**	2,162	**–**	–
Acquisitions of subsidiaries*	**–**	2,256	**–**	–
Additions in year	**433**	1,039	**–**	–
Repayment in year	**(826)**	(2,532)	**–**	–
Currency translation	**(41)**	(29)	**–**	–
At 30 June	**2,462**	2,896	**–**	–

* Acquisitions of subsidiaries are the liabilities acquired with the purchase of the Lumen companies..

Analysis of financial liabilities	Group 2024 £'000	Group 2023 £'000	Company 2024 £'000	Company 2023 £'000
Current financial liabilities (values due < 12 months)	**1,252**	1,435	**–**	–
Non-current financial liabilities (values due > 12 months)	**1,210**	1,461	**–**	–
Total	**2,462**	2,896	**–**	–

Included in non-current financial liabilities were amounts of £995,000 (2023: £1,201,000) due more than one year but less than five years and £215,000 (2023: £260,000) due more than five years.

Financial liabilities by category	Group 2024 £'000	Group 2023 £'000	Company 2024 £'000	Company 2023 £'000
Bank overdrafts	**–**	55	**–**	–
Bank loans	**601**	902	**–**	–
Factoring liabilities	**709**	1,030	**–**	–
Other loans	**100**	93	**–**	**–**
Government loans	**1,052**	816	**–**	–
Total	**2,462**	2,896	**–**	–

During the year ended 30 June 2023, pursuant to the acquisition of Lumen Intelligence Holding GmbH, the Group acquired financial liabilities totalling €2,563,000 (£2,256,000), included loans from the original shareholders of Lumen Intelligence Holding GmbH, totalling €1,652,000 (£1,454,000). As at date of these financial statements, an amount of €118,000 (£100,000) remained outstanding.

As at the date of these financial statements, the bank loans included €382,000 (£324,000) (2023: €583,000 (£502,000)) issued to support Zemper France S.A.R.L. through the COVID pandemic, and are guaranteed by the Government in France. There is also a bank loan for the property occupied by Zemper France S.A.R.L., the outstanding amount was £299,000 (£253,000) (2023: €369,000 (£317,000)). The Government loans were issued to facilitate investment, including research and development projects.

21 Lease liabilities

Right-of-use assets

	Group				Company	
	Property £'000	Plant and equipment £'000	Motor vehicles £'000	Total £'000	Motor vehicles £'000	Total £'000
At 1 July 2022	2,073	33	558	2,664	–	–
Acquisition of subsidiaries*	–	–	96	96	–	–
Additions	1,400	–	351	1,751	31	31
Depreciation charge for the year	(385)	(10)	(219)	(614)	(4)	(4)
Lease termination	–	(1)	(57)	(58)	–	–
Currency translation	(11)	–	(4)	(15)	–	–
At 30 June 2023	**3,077**	**22**	**725**	**3,824**	**27**	**27**
Additions	152	41	238	431	–	–
Depreciation charge for the year	(432)	(10)	(321)	(763)	(8)	(8)
Currency translation	(40)	(1)	(9)	(50)	–	–
At 30 June 2024	**2,757**	**52**	**633**	**3,442**	**19**	**19**

* Acquisition of subsidiaries are leases acquired with the investment in Lumen group of companies.

Additions comprise increases to right-of-use assets as a result of entering into new leases.

Lease liabilities

The Group and the Company entered into operating leasing agreements for the leasing of manufacturing premises, offices, plant and equipment and motor vehicles that give rise to lease liabilities. Lease liabilities recognised at 30 June 2024 total £4,163,000 (2023: £4,634,000) of which £778,000 (2023: £812,000) is due within one year and £3,385,000 (2023: £3,822,000) due after more than one year. There are no contractual options to either extend or terminate early lease agreements.

Maturity analysis

The timing of the payments due over the remaining lease term for these liabilities is as follows:

	Group		Company	
	2024 £'000	2023 £'000	**2024 £'000**	2023 £'000
Within one year	**898**	948	**8**	8
More than one but less than five years	**2,690**	2,867	**12**	21
More than five years	**1,061**	1,540	**–**	–
Total due	**4,649**	5,355	**20**	29

The total cash paid on these leases during the year was £1,092,000 (2023: £1,026,000) for the Group and £8,000 (2023: £5,000) for the Company.

	Group		Company	
	2024 £'000	2023 £'000	**2024 £'000**	2023 £'000
Expense relating to short-term leases	**466**	162	**165**	83
Expense relating to low-value leases	**8**	113	**–**	–

During the year, interest on lease liabilities of £237,000 (2023: £236,000) (note 5) was charged to the consolidated income statement.

22 Pension scheme

The Group operates a funded hybrid pension scheme for employees in the UK. The scheme is approved by HM Revenue and Customs under Chapter 1 Part XIV of the Income and Corporation Taxes Act 1988. Membership is contracted in to the second state pension. The basis of the Group's hybrid pension scheme is to provide benefits to members based on the following:

- For service prior to 1 October 1995, the benefits provided are defined benefit in nature.
- For service from 1 October 1995, the benefits provided have two elements depending on the date that the member joined the pension scheme.
- For members joining before 1 October 1995, benefits provided are the higher of their defined contribution pension and their defined benefit pension.
- For members joining on or after 1 October 1995, benefits provided are defined contribution in nature.

The contributions of the pure defined contribution, the defined benefit underpin and pure defined benefit elements are paid into one pension scheme, where the contributions and assets are segregated and ring-fenced from each other.

For the defined benefit underpin element of the scheme, each member is tested to see whether the pension on a defined contribution or defined benefit basis is higher. The liabilities shown in the pensions note are based on the greater of the two liabilities for each member, which in almost all cases is the defined benefit liability. For the service cost, again, tests are performed to see which is the higher for each member out of the Company's share of the defined contribution payments or the Company's share of accruing benefits on a defined benefit basis. The higher of these two figures for each member is then used to give the total service cost; again the defined benefit cost is the higher for the vast majority of members.

The assets of the scheme are held separately from the assets of the Group, being invested in Managed Funds. Contributions by the Group to the scheme during the year ended 30 June 2024 amounted to £542,000 (2023: £537,000). Contributions are determined by an independent qualified actuary on the basis of triennial valuations using the Project Unit Method.

The date of the most recent actuarial valuation was 30 June 2021, and at that date the value of the fund was £42,600,000. This was sufficient to cover 103% of the value of the benefits accrued to members after allowing for future increases in earnings. In arriving at the actuarial valuation, the following assumptions were adopted:

Price inflation	3.60%
Salary increases	5.25%
Discount rate	2.10%
Revaluation for deferred pensioners	2.10%

The figures at 30 June 2021 have been updated as at the Statement of Financial Position dates in order to assess the additional disclosures required under IAS 19 as at 30 June 2024 by an independent qualified actuary using the following major assumptions:

	2024	2023	2022	2021	2020
Price inflation	**3.40%**	3.40%	3.50%	3.50%	3.30%
Salary increases	**3.40%**	3.40%	3.50%	3.50%	3.30%
Discount rate	**5.10%**	5.20%	3.80%	1.80%	1.40%
Revaluation for deferred pensioners	**2.90%**	2.80%	2.80%	2.80%	2.30%
Pension increases in payment of 5% p.a. or RPI if less	**3.20%**	3.20%	3.30%	3.30%	3.10%
Pension increases in payment of 2.5% p.a. or RPI if less	**2.20%**	2.20%	2.20%	2.20%	2.10%
Life expectancy at age 65 – men	**21.5 years**	22.9 years	23.4 years	22.1 years	22.5 years
Life expectancy at age 65 in 20 years – men	**22.7 years**	24.1 years	24.6 years	23.4 years	23.6 years
Life expectancy at age 65 – women	**23.7 years**	24.4 years	24.8 years	24.3 years	24.7 years
Life expectancy at age 65 in 20 years – women	**24.9 years**	25.5 years	25.9 years	25.4 years	25.9 years

22 Pension scheme continued

The Statement of Financial Position figures required under IAS 19 are as follows:

	30 June 2024		30 June 2023		30 June 2022		30 June 2021		30 June 2020	
	Expected long-term rate of return	**Value**	Expected long-term rate of return	Value	Expected long-term rate of return	Value	Expected long-term rate of return	Value	Expected long-term rate of return	Value
	%	**£'000**	%	£'000	%	£'000	%	£'000	%	£'000
Equities	**5.10%**	**11,257**	5.20%	11,270	3.80%	12,150	1.8%	13,269	1.4%	11,003
Bonds	**5.10%**	**19,313**	5.20%	18,389	3.80%	21,643	1.8%	26,458	1.4%	29,549
Other	**5.10%**	**1,891**	5.20%	1,542	3.80%	2,659	1.8%	2,832	1.4%	2,300
Total market value of assets		**32,461**		31,201		36,452		42,559		42,852
Present value of scheme liabilities		**(28,073)**		(28,026)		(33,100)		(40,350)		(42,583)
Surplus in the scheme		**4,388**		3,175		3,352		2,209		269

All assets are held in pooled investment vehicles with the exception of the cash balance of £251,000 (2023: £772,000) in the trustees bank account. The pooled investment vehicles are unquoted with the underlying assets being quoted.

Amounts recognised in the statement of financial position

The amounts recognised in the Statement of Financial Position are determined as follows:

	2024 £'000	2023 £'000
Present value of funded obligations	**(28,073)**	(28,026)
Fair value of plan assets	**32,461**	31,201
Surplus in the scheme	**4,388**	3,175
Less restriction of surplus recognised in the statement of financial position	**(4,388)**	(3,175)
Asset recognised in the statement of financial position	**–**	–

Movement in defined benefit obligation

The movement in the defined benefit obligation over the year is as follows:

	2024 £'000	2023 £'000
At 1 July	**(28,026)**	(33,100)
Current service cost	**(266)**	(303)
Past service cost	**–**	(420)
Interest cost	**(1,419)**	(1,202)
Contributions by plan participants	**(206)**	(276)
Actuarial (loss)/gain	**(120)**	3,767
Benefits paid	**1,964**	3,508
At 30 June	**(28,073)**	(28,026)

The weighted average duration of the defined benefit obligation is approximately 13 years (2023: 13 years).

22 Pension scheme continued

Movement in the fair value of the plan assets

The movement in the fair value of the plan assets of the year is as follows:

	2024 £'000	2023 £'000
At 1 July	**31,201**	36,452
Expected return in plan assets	**1,591**	1,334
Actuarial gain/(loss)	**885**	(3,890)
Employer contributions	**542**	537
Employee contributions	**206**	276
Benefits paid	**(1,964)**	(3,508)
At 30 June	**32,461**	31,201

Amounts recognised in income statement

The amounts recognised in the Income Statement are as follows:

	2024 £'000	2023 £'000
Current service cost	**266**	303
Past service cost	**–**	420
Net interest income	**–**	(132)
Total expense	**266**	591

Actuarial gain/(loss) recognised in statement of comprehensive income for the year

	2024 £'000	2023 £'000
Actual return less expected return on pension scheme assets	**885**	(3,890)
Experience (losses)/gains arising on the scheme liabilities	**(509)**	293
Changes in assumptions underlying the present value of the scheme liabilities	**389**	3,474
Net interest income	**172**	–
Restriction of (decrease)/increase in pension scheme surplus	**(1,213)**	177
Actuarial (loss)/gain recognised in the Statement of Comprehensive Income	**(276)**	54

	2024 £'000	2023 £'000
Cumulative actuarial loss recognised in the Statement of Comprehensive Income at 1 July	**(3,898)**	(3,775)
Actuarial gain/(loss) recognised in the Statement of Comprehensive Income for the year	**937**	(123)
Cumulative actuarial loss recognised in the Statement of Comprehensive Income at 30 June	**(2,961)**	(3,898)

The restriction in the scheme surplus is excluded from the cumulative actuarial gain recognised in the Statement of Comprehensive Income. As a result of the most recent valuation, and in light of the non-recognition of the pension scheme surplus, the recovery plan liability of £189,000 (2023: £189,000) is included in other payables.

The expected return on plan assets is determined by considering the expected returns available on the assets underlying the current investment policy. Expected yields on fixed interest investments are based on gross redemption yields as at the Statement of Financial Position date. Expected returns on equity and property investments reflect long-term real rates of return experienced in the respective markets.

22 Pension scheme continued

The actual return on plan assets over the year ended 30 June 2024 was £2,476,000 (2023: loss of £2,556,000) or 7.9% (2023: -7.0%). The Group expects to pay £324,000 contributions (2023: £364,000) into the pension scheme during the forthcoming year.

History of experience gains and losses recognised in the statement of comprehensive income

	2024		2023		2022		2021		2020	
	£'000	**%**	£'000	%	£'000	%	£'000	%	£'000	%
Difference between the expected and actual return on scheme assets	**885**		(3,890)		(5,392)		789		1,217	
Percentage of scheme assets		**3%**		(11%)		(13%)		2%		3%
Experience (loss)/gain on scheme liabilities	**(509)**		293		348		(951)		(171)	
Percentage of the present value of scheme liabilities		**2%**		0%		0%		2%		0%
Changes in assumptions underlying the present value of the scheme liabilities	**389**		3,474		5,955		1,915		(3,131)	
Percentage of the present value of scheme liabilities		**(1%)**		(10%)		(15%)		(5%)		7%
Movement in recovery plan liability	**–**		–		–		–		–	
Percentage of the present value of scheme liabilities		**0%**		0%		0%		0%		0%
Net interest income	**172**		132		42		5		46	
Percentage of the present value of scheme liabilities		**1%**		0%		0%		0%		0%
Amount which has been recognised in the SOCI	**937**		(123)		953		1,758		(2,039)	
Percentage of the present value of scheme liabilities		**3%**		(0%)		2%		4%		(5%)

Sensitivity analysis

The impact on the defined benefit obligation of changes in the significant assumptions is shown approximately below:

Assumption varied	Defined benefit obligation £m
As at 30 June 2024	28.1
Discount rate 0.5% p.a. higher	27.0
Increase in salaries 0.5% p.a. higher	28.1
Pension increase (in payment and in deferment) 0.5% p.a. higher	28.7
Life expectancy one year longer	28.6

The figures assume that each assumption is changed independently of the others. Therefore, the disclosures are only a guide because the effect of changing more than one assumption is not cumulative.

23 Provisions for liabilities and charges

	Group		Company	
	Warranty provision £'000	**Total £'000**	**Warranty provision £'000**	**Total £'000**
At 1 July 2022	2,536	2,536	879	879
Acquisition of subsidiaries*	704	704	–	–
Additions	517	517	–	–
Utilisation	(148)	(148)	254	254
Surplus released	(295)	(295)	–	–
Currency translation	(15)	(15)	–	–
At 30 June 2023	3,299	3,299	1,133	1,133
Additions	494	494	306	306
Utilisation	(79)	(79)	–	–
Surplus released	(371)	(371)	–	–
Currency translation	(18)	(18)	–	–
At 30 June 2024	**3,325**	**3,325**	**1,439**	**1,439**

	Group		Company	
Analysis of total provisions	**2024 £'000**	2023 £'000	**2024 £'000**	2023 £'000
Non-current	**3,325**	3,299	**1,439**	1,133
Total	**3,325**	3,299	**1,439**	1,133

* Acquisitions of subsidiaries are provisions acquired with the investment in Lumen group of companies.

Warranty provision

The usual warranty period provided by Group companies is between 5 and 10 years, dependent on market requirements, and the provision for warranty is based on expected claims over the remaining warranty period. This is calculated in accordance with the accounting policy estimates section included in note 1.

24 Deferred income tax

Deferred income tax assets and liabilities are offset where there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income taxes relate to the same fiscal authority. The net movement on the deferred income tax and the offset amounts are as follows:

	Group		Company	
	2024 £'000	2023 £'000	**2024 £'000**	2023 £'000
At 1 July	**(5,879)**	(4,144)	**(1,259)**	(883)
Acquisitions of subsidiaries*	**–**	(2,005)	**–**	–
Income statement credited/(charged)	**845**	202	**(92)**	(402)
Tax (charged)/credited directly to equity	**(101)**	26	**(101)**	26
Currency translation	**47**	42	**–**	–
At 30 June	**(5,088)**	(5,879)	**(1,452)**	(1,259)
Of which:				
Deferred tax assets	**347**	382	**–**	–
Deferred tax liabilities	**(5,435)**	(6,261)	**(1,452)**	(1,259)
Net deferred tax liabilities	**(5,088)**	(5,879)	**(1,452)**	(1,259)

* Acquisitions of subsidiaries are the deferred assets and liabilities acquired with the investment in the Lumen group of companies.

The movement in Group deferred income tax assets and liabilities during the year, without taking into consideration the offsetting of balances within the same tax jurisdiction, is as follows:

Deferred tax assets	**Fair value & other timing differences £'000**	**Total £'000**
At 1 July 2022	120	120
Acquisition of subsidiaries*	132	132
Credited to the income statement	134	134
Currency translation	(4)	(4)
At 30 June 2023	382	382
Charged to the income statement	(30)	(30)
Currency translation	(5)	(5)
At 30 June 2024	**347**	**347**

Deferred tax liabilities	**Accelerated tax depreciation £'000**	**Research & development £'000**	**Fair value & other timing differences £'000**	**Total £'000**
At 1 July 2022	791	822	2,651	4,264
Acquisition of subsidiaries*	–	–	2,137	2,137
Charged/(credited) to the income statement	111	(40)	(139)	(68)
Credited directly to equity	–	–	(26)	(26)
Currency translation	–	–	(46)	(46)
At 30 June 2023	902	782	4,577	6,261
Charged/(credited) to the income statement	142	(68)	(949)	(875)
Charged directly to equity	–	–	101	101
Currency translation	(2)	–	(50)	(52)
At 30 June 2024	**1,042**	**714**	**3,679**	**5,435**

* Acquisitions of subsidiaries are the deferred assets and liabilities acquired with the investment in the Lumen group of companies.

24 Deferred income tax continued

The movement in the Company deferred income tax liabilities during the year is as follows:

Deferred tax liabilities	Accelerated tax depreciation £'000	Research & development £'000	Fair value & other timing differences £'000	Total £'000
At 1 July 2022	462	592	(171)	883
Charged/(credited) to the income statement	120	(49)	331	402
Credited directly to equity	–	–	(26)	(26)
At 30 June 2023	582	543	134	1,259
Charged/(credited) to the income statement	149	(59)	2	92
Charged directly to equity	–	–	101	101
At 30 June 2024	**731**	**484**	**237**	**1,452**

The deferred income tax (debited)/credited to equity during the year is as follows:

	Group		Company	
Deferred tax (debited)/credited to equity	**2024 £'000**	2023 £'000	**2024 £'000**	2023 £'000
Tax on revaluation of financial assets at fair value through other comprehensive income	**(101)**	26	**(101)**	26
	(101)	26	**(101)**	26

The deferred tax assets and liabilities of the Group and the Company are expected to be recovered or settled more than twelve months after the date of statement of financial position.

25 Issued share capital

	Group		Company	
	2024 £'000	2023 £'000	**2024 £'000**	2023 £'000
Authorised, allotted and fully paid				
118,935,590 ordinary shares of 1p each (2023: 118,935,590 ordinary shares of 1p each)	**1,189**	1,189	**1,189**	1,189

The ordinary shareholders each have one vote per share.

	Group and Company		Group and Company	
Movements in treasury shares included in share capital	**2024 £'000**	2023 £'000	**2024 No. of shares**	2023 No. of shares
At 1 July	**17**	18	**1,704,004**	1,824,004
Shares issued from treasury	**(1)**	(1)	**(60,000)**	(120,000)
At 30 June	**16**	17	**1,644,004**	1,704,004

There were no new shares issued during the year (2023: nil). 60,000 (2023: 120,000) shares were issued from treasury for the exercise of share options, of which the Company repurchased nil (2023: nil). There are 50,322 (2023: 110,322) share options outstanding at the year end, of which 30,322 share options were in the process of being exercised at 30 June 2024.

At 30 June 2024, there were 20,000 options exercisable (2023: 110,322) under the ESOP scheme.

26 Other reserves

	Group		Company	
	2024 £'000	2023 £'000	**2024 £'000**	2023 £'000
Share premium account	**3,088**	2,976	**3,088**	2,976
Capital redemption reserve	**137**	137	**137**	137
Foreign currency translation reserve	**1,525**	2,039	**–**	–
	4,750	5,152	**3,225**	3,113

27 Dividends

Dividends paid during the year are outlined in the tables below:

Dividends paid (pence per share)	**2024**	2023
Final dividend	**4.84**	4.61
Interim dividend	**1.70**	1.62
Total	**6.54**	6.23

A final dividend in respect of the year ended 30 June 2024 of 5.08p per share, amounting to £5,961,000 (2023: £5,674,000) and a special dividend of 2.50p per share, amounting to £2,934,000 (2023: £nil) are to be proposed at the Annual General Meeting on 21 November 2024 and, if approved, will be paid on 29 November 2024 to shareholders on the register on 25 October 2024. The ex-dividend date is 24 October 2024. These financial statements do not reflect this dividend payable.

Dividends proposed (pence per share)	**2024**	2023
Final dividend	**5.08**	4.84
Special dividend	**2.50**	–
Total	**7.58**	4.84

Dividends paid	**2024 £'000**	2023 £'000
Final dividend	**5,674**	5,403
Interim dividend	**1,994**	1,898
Total	**7,668**	7,301

Dividends proposed	**2024 £'000**	2023 £'000
Final dividend	**5,961**	5,674
Special dividend	**2,934**	–
Total	**8,895**	5,674

28 Share-based payment charge

Equity settled scheme

The Group operates share-based remuneration schemes, created to motivate and retain those employees responsible for the continued success of the Group.

The Executive Share Ownership Plan established in 2014 (ESOP 2014 scheme) allows for the vesting of options subject to the achievement of performance targets, being annual growth of pre-tax Earnings per Share in excess of RPI plus 3% over a five-year period.

In the current year, a new Executive Share Ownership Plan (ESOP 2024 Scheme) established by the Group was granted on 30 May 2024 after approval at a General Meeting held on 18 April 2024. The plan allows for the vesting of options subject to achievement of performance targets, being annual growth of pre-tax Earnings per Share in excess of CPI plus 2% each year, be ranked above the median of the comparator group for total shareholder return and made appropriate progress towards the Group's carbon reduction target, based on the position at 30 June 2023. The options vest in stages up to a maximum of five years..

Under IFRS 2, an expense is recognised in the income statement for share-based payments, calculated on the fair value at the grant date. The application of IFRS 2 gave rise to a charge of £152,000 (2023: £nil) for the year.

a) Details of changes in the number of awards outstanding during the year are set out below:

	ESOP 2014 Scheme		ESOP 2024 Scheme		Total
	Options	Exercise price (p/s)	Options	Exercise price range (p/s)	Options
Outstanding at 1 July 2023	110,322	124	–	–	110,322
Granted during the year	–	–	1,925,000	337.5-375	1,925,000
Exercised during the year *	(90,322)	124	–	–	(90,322)
Outstanding at 30 June 2024	**20,000**	**124**	**1,925,000**	**337.5-375**	**1,945,000**

* The exercise of 60,000 share options had been completed during the year and the exercise of 30,322 share options were in progress with notification to exercise being received on 28 June 2024. .

The weighted average contractual life of the share-based payments outstanding at the end of the year is 0.3 years for the ESOP 2014 Scheme and 9.9 years for the ESOP 2024 Scheme. The weighted average share price for shares exercised during the year was £3.37.

b) Fair value calculations

The fair value of the share options granted during the year were calculated using the methods, principal assumptions and data set out below:

	ESOP 2014 Scheme	ESOP 2024 Scheme
Method used	Black–Scholes	Black–Scholes
Date of grant	24 October 2014	30 May 2024
Share price at date of grant (p/s)	124	375
Exercise price (p/s) - Approved options	124	375
Exercise price (p/s) - Unapproved options	124	337.5
Expected option life (years)	3 – 7	1 – 5
Vesting period (years)	3 – 7	1 – 5
Expected volatility	23% – 28%	29% – 30%
Expected dividend yield	3.02%	1.75%
Risk free rate	1.06% – 1.90%	4.11% – 4.68%
Fair value per share (p/s)	18.61 – 21.07	67.40 – 119.93

28 Share-based payment charge continued

Expected volatility was determined by calculating the annualised standard deviation over the daily changes in the share price, and measured against historical share price movements over the number of years vesting period prior to the grant of the options.

29 Cash generated from operations

	Group		Company	
Cash generated from continuing operations	**2024 £'000**	2023 £'000	**2024 £'000**	2023 £'000
Profit before income tax	**29,873**	26,934	**21,181**	19,499
Depreciation of property, plant and equipment	**4,814**	4,289	**2,033**	1,841
Depreciation of investment property	**45**	20	**253**	253
Amortisation of intangible assets	**5,846**	4,454	**1,285**	1,453
Impairment of goodwill	**249**	–	**–**	–
Fair value adjustment on redemption liability	**(1,402)**	–	**–**	–
Profit on disposal of property, plant and equipment	**(125)**	(192)	**(120)**	(155)
Profit on disposal of an investment property	**(134)**	–	**(134)**	–
Net finance expense/(income)	**(68)**	378	**(5,565)**	(3,385)
Retirement benefit contributions less the current and past service charge	**(276)**	54	**(276)**	54
Share of joint venture loss	**826**	520	**–**	–
Share-based payment charge	**152**	–	**152**	–
Research and development expenditure credit	**(356)**	(382)	**(237)**	(256)
Effects of exchange rate movements	**907**	952	**953**	579
Changes in working capital				
– Decrease/(increase) in inventories	**4,258**	3,117	**2,355**	1,551
– Decrease/ (increase) in trade and other receivables	**135**	(98)	**2,166**	141
– Increase/(decrease) in payables and provisions	**3,016**	(3,830)	**917**	931
Cash generated from operations	**47,760**	36,216	**24,963**	22,506

30 Capital commitments

	Group		Company	
	2024 £'000	2023 £'000	**2024 £'000**	2023 £'000
Land	**–**	2,000	**–**	2,000
Buildings	**–**	298	**–**	–
Property, plant and equipment	**81**	229	**–**	–

31 Financial instruments by category

All financial instruments measured at fair value are categorised as level 2 in the fair value measurement hierarchy, whereby the fair value is determined by using valuation techniques, except for £3,736,000 (2023: £3,334,000), for the Group and the Company, of fixed rate listed investments included in financial assets at fair value through other comprehensive income that are classified as level 1. The valuation techniques for level 2 instruments use observable market data where it is available, for example quoted market prices, and rely less on estimates. There have been no changes to valuation techniques or movements between levels of the hierarchy in the year.

The accounting policies for financial instruments have been applied to the line items below:

Group	Financial assets at amortised cost £'000	Financial assets at fair value through other comprehensive income £'000	Total £'000
30 June 2024			
Financial assets at amortised cost	**3,623**	**–**	**3,623**
Financial assets at fair value through other comprehensive income	**–**	**3,757**	**3,757**
Trade and other receivables	**33,775**	**–**	**33,775**
Short-term financial assets	**18,965**	**–**	**18,965**
Cash and cash equivalents	**33,943**	**–**	**33,943**
Total	**90,306**	**3,757**	**94,063**

Group	Financial assets at amortised cost £'000	Financial assets at fair value through other comprehensive income £'000	Total £'000
30 June 2023			
Financial assets at amortised cost	2,853	–	2,853
Financial assets at fair value through other comprehensive income	–	3,364	3,364
Trade and other receivables	33,032	–	33,032
Short-term financial assets	4	–	4
Cash and cash equivalents	35,013	–	35,013
Total	70,902	3,364	74,266

Company	Financial assets at amortised cost £'000	Financial assets at fair value through other comprehensive income £'000	Total £'000
30 June 2024			
Financial assets at amortised cost	**54,144**	**–**	**54,144**
Financial assets at fair value through other comprehensive income	**–**	**3,737**	**3,737**
Trade and other receivables	**23,551**	**–**	**23,551**
Short-term financial assets	**16,418**	**–**	**16,418**
Cash and cash equivalents	**21,806**	**–**	**21,806**
Total	**115,919**	**3,737**	**119,656**

31 Financial instruments by category continued

Company	Financial assets at amortised cost £'000	Financial assets at fair value through other comprehensive income £'000	Total £'000
30 June 2023			
Financial assets at amortised cost	52,126	–	52,126
Financial assets at fair value through other comprehensive income	–	3,334	3,334
Trade and other receivables	24,693	–	24,693
Cash and cash equivalents	25,527	–	25,527
Total	102,346	3,334	105,680

The above analysis excludes prepayments.

	Group		Company	
Liabilities as per statement of financial position	**2024 £'000**	2023 £'000	**2024 £'000**	2023 £'000
Trade and other payables (excluding statutory liabilities)	**17,018**	17,420	**11,350**	14,273
Redemption liability	**10,449**	15,311	**–**	–
Deferred consideration	**820**	2,857	**–**	–
Post employment benefits	**52**	51	**–**	–
Financial liabilities	**2,462**	2,896	**–**	–
Lease liabilities	**4,163**	4,634	**19**	26

Financial liabilities are measured at amortised cost. The maturity analysis for lease liabilities is shown in note 21.

Contractual cash flows relating to current financial liabilities are all due within one year, and are equal to their carrying value.

The Group and Company did not have derivative financial instruments at 30 June 2024 or 30 June 2023. All assets and liabilities above are considered to be at fair value.

32 Related party transactions

The following amounts relate to transactions between the Company and its related undertakings:

2024	Purchases of goods £'000	Sales of goods £'000	Sales of services £'000	Purchase of services £'000	Dividends paid to Company £'000
Philip Payne Limited	**640**	**223**	**44**	**–**	**250**
Solite Europe Limited	**1,032**	**440**	**189**	**–**	**500**
Portland Lighting Limited	**13**	**9**	**78**	**–**	**150**
TRT Lighting Limited	**1,123**	**557**	**146**	**–**	**–**
Thorlux Lighting L.L.C.	**–**	**114**	**–**	**–**	**–**
FW Thorpe Nederland B.V.	**–**	**–**	**–**	**–**	**–**
Lightronics B.V.	**94**	**640**	**–**	**–**	**–**
Thorlux Australasia PTY Limited	**883**	**–**	**–**	**–**	**–**
Thorlux Lighting GmbH	**–**	**–**	**–**	**–**	**–**
Famostar Emergency Lighting B.V.	**7**	**662**	**–**	**–**	**–**
Thorlux Lighting Limited	**–**	**6,594**	**–**	**–**	**–**
FW Thorpe Espana S.L.U.	**–**	**–**	**–**	**–**	**–**
Electrozemper S.A.	**56**	**–**	**15**	**–**	**–**
Zemper France S.A.R.L.	**–**	**(10)**	**–**	**122**	**–**
R.G.B. S.L.	**–**	**–**	**–**	**–**	**–**
Lumen Intelligence Holding GmbH	**–**	**–**	**–**	**–**	**–**
SchahlLED Lighting GmbH	**38**	**4,214**	**–**	**–**	**–**

2023	Purchases of goods £'000	Sales of goods £'000	Sales of services £'000	Purchase of services £'000	Dividends paid to Company £'000
Philip Payne Limited	720	231	42	–	150
Solite Europe Limited	1,058	364	202	–	300
Portland Lighting Limited	3	4	78	–	400
TRT Lighting Limited	1,859	1,034	162	–	–
Thorlux Lighting L.L.C.	–	202	–	–	–
FW Thorpe Nederland B.V.	–	–	–	–	–
Lightronics B.V.	251	618	–	–	–
Thorlux Australasia PTY Limited	–	744	–	–	–
Thorlux Lighting GmbH	–	–	–	520	–
Famostar Emergency Lighting B.V.	33	391	–	–	–
Thorlux Lighting Limited	–	5,818	–	–	–
FW Thorpe Espana S.L.U.	–	–	–	–	–
Electrozemper S.A.	18	–	4	14	–
Zemper France S.A.R.L.	–	10	–	–	–
R.G.B. S.L.	–	–	–	–	–
Lumen Intelligence Holding GmbH	–	–	–	–	–
SchahlLED Lighting GmbH	–	4,054	–	–	–

32 Related party transactions continued

Trading balances due to and from the Company by related entities were as follows:

	Amounts due to related party at 30 June		Amounts due from related party at 30 June	
	2024 £'000	2023 £'000	**2024 £'000**	2023 £'000
Philip Payne Limited	**(989)**	(868)	**154**	61
Solite Europe Limited	**(1,239)**	(1,291)	**152**	88
Portland Lighting Limited	**(617)**	(465)	**32**	40
TRT Lighting Limited	**(382)**	(1,490)	**156**	250
Thorlux Lighting L.L.C.	**–**	–	**–**	316
FW Thorpe Nederland B.V.	**–**	–	**380**	2,224
Lightronics B.V.	**(10)**	(192)	**–**	7
Thorlux Australasia PTY Limited	**–**	–	**464**	1,987
Thorlux Lighting GmbH	**–**	(147)	**–**	–
Famostar Emergency Lighting B.V.	**(7)**	(3)	**2**	20
Thorlux Lighting Limited	**(367)**	(1,391)	**324**	1,492
FW Thorpe Espana S.L.U.	**–**	–	**3,872**	1,716
Electrozemper S.A.	**(24)**	(30)	**–**	–
Zemper France S.A.R.L	**(9)**	(86)	**–**	10
R.G.B. S.L.	**–**	–	**–**	–
Lumen Intelligence Holding GmbH	**–**	–	**–**	–
SchahlLED Lighting GmbH	**–**	–	**623**	3,063
Total	**(3,644)**	(5,963)	**6,159**	11,274

Trading balances arise from transactions of goods and services carried out under normal commercial terms. The Company has made provisions for trade receivables of £1,909,000 (2023: £930,000) due from Thorlux Australasia PTY Limited and £650,000 (2023: £515,000) due from Thorlux Lighting L.L.C. The amounts due from subsidiaries are net of provisions.

The Company has loan balances due from FW Thorpe Espana of €36,795,000 (£31,187,000) (2023: €31,278,000 (£26,892,000)), FW Thorpe Nederland B.V. of €24,530,000 (£20,791,000) (2023: €27,272,000 (£23,447,000)), Thorlux Lighting L.L.C. £2,533,000 (2023: £2,175,000) and Thorlux Lighting Limited €nil (£nil) (2023: €325,000 (£280,000)). The Company has made provisions for loan receivable from Thorlux Lighting L.L.C. of £2,533,000 (2023: 2,175,000).

Cash resources are managed centrally by the Company and result in balances owed to and from the Company when cash is transferred.

The key management personnel are the Group Board directors; their interests are disclosed in the directors' remuneration report on pages 98 to 101. There are 2 employees who are related parties (2023: 2). Total remuneration for the year was £176,000 (2023: £104,000).

The Company owns 40% of the share capital of Luxintec S.L., a company registered in Spain. During the year, no sales to and purchases from Luxintec S.L. (2023: £nil).
At the year end there were trade balances due to Luxintec S.L. of £31,000 (2023: £31,000) and £338,000 due from Luxintec S.L. (2023: £338,000). The Company has made a provision of £338,000 (2023: £338,000) against the receivables due from Luxintec S.L.

In 2021 a loan of €869,000 was provided to Luxintec S.L. with interest payable at 1.5% secured against the company's assets. At the date of the financial statements, the loan notes balance including interest was €nil (2023: €281,000) equating to £nil (2023: £240,000) at the end of year exchange rate, including a provision of €869,000 (£737,000) (2023: €589,000 (£506,000)) (see note 12).

32 Related party transactions continued

During the year, the non-controlling interests of ElectroZemper S.A. provided services to the Group of €657,000 (£553,000) (2023: €750,000 (£651,000)) and received services from the Group of €3,000 (£2,000) (2023: €9,000 (£8,000). The balance due from these non-controlling interests were €nil (£nil) (2023: €11,000 (£9,000)).

33 Group companies

The parent Company has the following investments as at 30 June 2024 and 30 June 2023:

			Proportion of nominal value of issued shares held by Group and Company	
Name of undertaking	Country of incorporation	Description of shares held	**30 June 2024**	30 June 2023
Philip Payne Limited[1]	England	Ordinary £1 shares	**100%**	100%
Solite Europe Limited[1]	England	Ordinary £1 shares	**100%**	100%
Portland Lighting Limited[1]	England	Ordinary £1 shares	**100%**	100%
TRT Lighting Limited[1]	England	Ordinary £1 shares	**100%**	100%
FW Thorpe Nederland B.V.[1]	Netherlands	Ordinary €0.01 shares	**100%**	100%
Lightronics B.V. (investment held by F.W. Thorpe Nederland B.V.)[1]	Netherlands	Ordinary €454 shares	**100%**	100%
Thorlux Lighting GmbH[1]	Germany	Ordinary €1 shares	**100%**	100%
Thorlux Australasia PTY Limited[1]	Australia	Ordinary $1 shares	**100%**	100%
Thorlux Lighting L.L.C.[1,4]	United Arab Emirates	Ordinary AED 1,000 shares	**100%**	100%
Famostar Emergency Lighting B.V. (investment held by FW Thorpe Nederland B.V.)[1]	Netherlands	Ordinary €100 shares	**100%**	100%
Luxintec S.L.[2]	Spain	Ordinary €1 shares	**40%**	40%
Thorlux Lighting Limited[1]	Ireland	Ordinary €1 shares	**100%**	100%
FW Thorpe Espana S.L.U.[1]	Spain	Ordinary €1 shares	**100%**	100%
Electrozemper S.A. (investment held by FW Thorpe Espana S.L.U.)[1]	Spain	Ordinary €1,250 shares	**90%**	76.5%
Zemper France S.A.R.L (investment held by Electrozemper S.A.)[1]	France	Ordinary €1,000 shares	**90%**	76.5%
R.G.B. S.L (investment held by Electrozemper S.A.)[1]	Spain	Ordinary €60 shares	**90%**	76.5%
Ratio Holding B.V. (Investment held by FW Thorpe Nederland B.V.)[3]	Netherlands	Ordinary €1 shares	**50%**	50%
Ratio Electric B.V. (investment held by Ratio Holding B.V.)[3]	Netherlands	Ordinary €1 shares	**50%**	50%
Ratio EV Limited (investment held by Ratio Holding B.V.)[3]	England	Ordinary £1 shares	**50%**	50%
Ratio Danmark ApS (investment held by Ratio Holding B.V.)[3]	Denmark	Ordinary DKK1 shares	**37.5%**	–
Lumen Intelligence Holding GmbH (investment held by FW Thorpe Nederland B.V.)[1]	Germany	Ordinary €1 shares	**80%**	80%
SchahlLED Lighting GmbH (investment held by Lumen Intelligence Holding GmbH)[1]	Germany	Ordinary €1 shares	**80%**	80%

1 Subsidiary
2 Financial assets at fair value through other comprehensive income
3 Equity accounted joint ventures
4 Thorlux Lighting L.L.C. is a subsidiary with 49% issued shares held by the Company directly with remaining 51% held in trust by independent third party on behalf of the Company

33 Group companies continued

The registered office addresses of these Group companies are:

Philip Payne Limited	Merse Road, North Moons Moat, Redditch, Worcestershire, B98 9HH, England
Solite Europe Limited	Merse Road, North Moons Moat, Redditch, Worcestershire, B98 9HH, England
Portland Lighting Limited	Merse Road, North Moons Moat, Redditch, Worcestershire, B98 9HH, England
TRT Lighting Limited	Merse Road, North Moons Moat, Redditch, Worcestershire, B98 9HH, England
FW Thorpe Nederland B.V.	Spuiweg 19, 5145 NE Waalwijk, Netherlands
Lightronics B.V.	Spuiweg 19, 5145 NE Waalwijk, Netherlands
Thorlux Lighting GmbH	Bahnhofstrasse 72, 27404 Zeven, Germany
Thorlux Australasia PTY Limited	31 Cross Street, Brookvale, NSW 2100, Australia
Thorlux Lighting L.L.C.	Shamsa Sari Ahmed, 13 Al Maiyani St Al Zahiyah, Al Zahia, East 14, Abu Dhabi, Abu Dhabi, United Arab Emirates
Famostar Emergency Lighting B.V.	Florijnweg 8 6883JP Velp, Netherlands
Luxintec S.L.	Polígono Industrial La Encomienda, C/ Atlas 12-14, 47195 Arroyo de la Encomienda, Valladolid, Spain
Thorlux Lighting Limited	Unit G6 Riverview Business Park, Nangor Road, Gallanstown, Dublin 12, Ireland
FW Thorpe Espana S.L.U.	Calle Conde de Aranda, 1, 2º izq., 28002 Madrid, Spain
Electrozemper S.A.	C/ Juan de Mariana, 16 Local 2 Drcha, 28045 Madrid, Spain
Zemper France S.A.R.L.	189 Chemin des Frozières ZA des Berthilliers, 71850 Charnay-Les-Macon, France
R.G.B. S.L.	C/ Flauta Magica 19, 29006 Malaga, Spain
Ratio Holding B.V.	Ambachtsstraat 12, 3861 RH Nijkerk, Netherlands
Ratio Electric B.V.	Ambachtsstraat 12, 3861 RH Nijkerk, Netherlands
Ratio EV Limited	Merse Road, North Moons Moat, Redditch, Worcestershire, B98 9HH, England
Ratio Danmark ApS	Drejervænget 8, Assens, 5610, Denmark
Lumen Intelligence Holding GmbH	Max-Planck-Straße 9, 85716 Unterschleißheim, Germany
SchahlLED Lighting GmbH	Max-Planck-Straße 9, 85716 Unterschleißheim, Germany

33 Group companies continued

The principal activities of these Group companies are:

Philip Payne Limited	– design and manufacture of illuminated signs
Solite Europe Limited	– design and manufacture of clean room lighting equipment
Portland Lighting Limited	– design and manufacture of lighting for signs
TRT Lighting Limited	– design and manufacture of lighting for roads and tunnels
FW Thorpe Nederland B.V.	– holding company
Lightronics B.V.	– design and manufacture of external and impact resistant lighting
Thorlux Lighting GmbH	– sales support function
Thorlux Australasia PTY Limited	– sale of lighting equipment to industrial and commercial markets
Thorlux Lighting L.L.C.	– sale of lighting equipment to industrial and commercial markets
Famostar Emergency Lighting B.V.	– design and manufacture of illuminated signs
Luxintec S.L.	– design and manufacture of LED luminaires and lenses
Thorlux Lighting Limited	– sale of lighting equipment to industrial and commercial markets
FW Thorpe Espana S.L.U.	– holding company
Electrozemper S.A.	– design and manufacture of illuminated signs
Zemper France S.A.R.L.	– sale of lighting equipment to industrial and commercial markets
R.G.B. S.L.	– sale of lighting equipment to industrial and commercial markets
Ratio Holding B.V.	– holding company
Ratio Electric B.V.	– design, manufacture and sale of EV charging equipment
Ratio EV Limited	– design, manufacture and sale of EV charging equipment
Ratio Danmark ApS	– sale of EV charging equipment
Lumen Intelligence Holding GmbH	– holding company
SchahlLED Lighting GmbH	– sale of lighting equipment to industrial and commercial markets

For the year ended 30 June 2024, Philip Payne Limited, Solite Europe Limited and Portland Lighting Limited are exempt from the requirements of the Companies Act 2006 relating to the audit of individual financial statements by virtue of section 479A. As a result, the Group guarantees all outstanding liabilities to which the subsidiary company is subject. The Company registration number for Philip Payne Limited it is 01361523, for Solite Europe Limited it is 02295852 and for Portland Lighting Limited it is 02826511.

34 Events after the statement of financial position date

There are no events after the statement of financial position date that have significant impact to the Group's and the Company's financial position.

Notice of meeting.

Notice is hereby given that the Annual General Meeting of FW Thorpe Plc will be held at Merse Road, North Moons Moat, Redditch, Worcestershire, B98 9HH on 21 November 2024 at 3.15 pm to transact the business set out below.

Ordinary business

1. To receive and adopt the Annual Report and Accounts for the year ended 30 June 2024.
2. To declare a final dividend.
3. To declare a special dividend.
4. To re-elect Mr A B Thorpe as a director.
5. To re-elect Mr I A Thorpe as a director.
6. To elect Mr J E Thorpe as a director.
7. To re-appoint PricewaterhouseCoopers LLP as auditors of the Company, to hold office until the conclusion of the next General Meeting at which accounts are laid before the Company and to authorise the directors to fix the auditors' remuneration.

Special business

To consider and, if thought fit, to pass the following resolutions which will be proposed in the case of 8 as an ordinary resolution and in the case of 9 as a special resolution.

8. That the directors' remuneration report (as set out on pages 98 to 101 of the Annual Report and Accounts) for the year ended 30 June 2024 be approved.
9. That the Company be generally and unconditionally authorised to make market purchases (within the meaning of section 693(4) of the Companies Act 2006) of ordinary shares of 1p each of the Company provided that:
   a. the maximum number of ordinary shares hereby authorised to be acquired is 11,893,559;
   b. the minimum price which may be paid for any such share is 1p;
   c. the maximum price which may be paid for any such share is an amount equal to 105% of the average of the middle market quotations for an ordinary share in the Company as derived from the Alternative Investment Market for the five business days immediately preceding the day on which such share is contracted to be purchased;
   d. the authority hereby conferred shall expire on the date of the Annual General Meeting of the Company in 2025; and
   e. the Company may make a contract to purchase its ordinary shares under the authority hereby conferred prior to the expiry of such authority, which contract will or may be executed wholly or partly after the expiry of such authority, and may purchase its ordinary shares in pursuance of any such contract.

Notes

1. Copies of the directors' service contracts will be available for inspection during usual business hours, at the registered office of the Company on any weekday (Saturdays and public holidays excepted) from the date of this notice until the date of the meeting and also at the meeting for at least 15 minutes prior to, and until the conclusion of, the meeting. If you wish to inspect these documents, please contact the Company at shareholders@fwthorpe.co.uk.
2. To be entitled to attend and vote at the meeting (and for the purposes of the determination by the Company of the votes they may cast), members must be registered in the Register of Members of the Company at 6.30 pm on 19 November 2024 (or, in the event of any adjournment, 6:30pm on the date which is two days before the time of the adjourned meeting). Changes to the Register of Members of the Company after the relevant deadline shall be disregarded in determining the rights of any person to attend and vote at the meeting.
3. A member entitled to attend and vote at the meeting is entitled to appoint a proxy or proxies to attend, speak and vote on his or her behalf. A proxy need not also be a member but must attend the meeting to represent you. Details of how to appoint the Chairman of the meeting or another person as your proxy using the form of proxy are set out in the notes on the form of proxy. If you wish your proxy to speak on your behalf at the meeting you will need to appoint your own choice of proxy (not the Chairman) and give your instructions directly to them.
4. To appoint more than one proxy, an additional proxy form(s) may be obtained by contacting the Company's registrars, Equiniti, Aspect House, Spencer Road, Lancing, West Sussex, BN99 6DA, or you may photocopy the proxy form. Please indicate in the box next to the proxy holder's name the number of shares in relation to which they are authorised to act as your proxy. Please also indicate by ticking the box provided if the proxy instruction is one of multiple instructions being given.
5. A reply paid form of proxy is enclosed with shareholders' copies of this document. To be valid, it should be lodged with the Company's registrars, Equiniti, Aspect House, Spencer Road, Lancing, West Sussex, BN99 6DA, so as to be received not later than 3.15 pm on 19 November 2024 or 48 hours before the time appointed for any adjourned meeting or, in the case of a poll taken subsequent to the date of the meeting or adjourned meeting, so as to be received no later than 24 hours before the time appointed for taking the poll.

Notes continued

6. CREST members who wish to appoint a proxy or proxies by utilising the CREST electronic proxy appointment service may do so for the Annual General Meeting and any adjournment(s) thereof by utilising the procedures described in the CREST Manual. CREST personal members or other CREST sponsored members (www.euroclear.com), and those CREST members who have appointed (a) voting service provider(s), should refer to their CREST sponsor or voting service provider(s), who will be able to take the appropriate action on their behalf.
7. In order for a proxy appointment made by means of CREST to be valid, the appropriate CREST message (a "CREST Proxy Instruction") must be properly authenticated in accordance with Euroclear UK & Ireland's specifications and must contain the information required for such instructions, as described in the CREST Manual. The message must be transmitted so as to be received by the issuer's agent ID RA19, by 3.15 pm on 19 November 2024 (or, in the case of an adjournment of the Annual General Meeting, not later than 48 hours before the time fixed for the holding of the adjourned meeting). For this purpose, the time of receipt will be taken to be the time (as determined by the timestamp applied to the message by the CREST Applications Host) from which the issuer's agent is able to retrieve the message by enquiry to CREST in the manner prescribed by CREST.
8. CREST members and, where applicable, their CREST sponsors or voting service providers should note that Euroclear UK & Ireland does not make available special procedures in CREST for any particular messages. Normal system timings and limitations will therefore apply in relation to the input of CREST Proxy Instructions. It is the responsibility of the CREST member concerned to take (or, if the CREST member is a CREST personal member or sponsored member or has appointed (a) voting service provider(s), to procure that his CREST sponsor or voting service provider(s) take(s)) such action as shall be necessary to ensure that a message is transmitted by means of the CREST system by any particular time. In this connection, CREST members and, where applicable, their CREST sponsors or voting service providers are referred, in particular, to those sections of the CREST Manual concerning practical limitations of the CREST system and timings.
9. The Company may treat as invalid a CREST Proxy Instruction in the circumstances set out in Regulation 35(5)(a) of the Uncertificated Securities Regulations 2001 (as amended).
10. If you are an institutional investor, you may be able to appoint a proxy electronically via the Proxymity platform, a process which has been agreed by the Company and approved by the Registrar. For further information regarding Proxymity, please go to www.proxymity.io. Your proxy must be lodged by 3.15pm on 19th November 2024 in order to be considered valid. Before you can appoint a proxy via this process you will need to have agreed to Proxymity's associated terms and conditions. It is important that you read these carefully as you will be bound by them, and they will govern the electronic appointment of your proxy.
11. As at 3 October 2024 (being the last practicable day prior to the publication of this notice), the Company's issued share capital consists of ordinary shares of 1p each, carrying one vote each. Excluding 1,593,682 shares held in treasury, the total voting rights in the Company as at 3 October 2024 are 117,341,908.

Appointment of a proxy will not preclude a member from subsequently attending and voting at the meeting should he or she subsequently decide to do so. You can only appoint a proxy using the procedures set out in these notes and the notes to the form of proxy.

By order of the Board

Craig Muncaster
Chief Executive, Group Financial Director and Company Secretary

Registered Office:
Merse Road
North Moons Moat
Redditch
Worcestershire
B98 9HH

3 October 2024

Financial calendar.

2024

18 October	Posting of the Annual Report and Accounts
21 November	Annual General Meeting
29 November	Payment of final dividend

2025

March	Announcement of interim results
April	Payment of interim dividend
September	Announcement of results for the year

Company information.

Independent Auditors
PricewaterhouseCoopers LLP
Central Business Exchange
Midsummer Boulevard
Central Milton Keynes
MK9 2DF

Bankers
Lloyds
Church Green East
Redditch
Worcestershire
B98 8BZ

Solicitors
Keystone Law
48 Chancery Lane
London
WC2A 1JF

Pinsent Masons LLP
19 Cornwall Street
Birmingham
B3 2FF

Nominated Advisor
Singer Capital Markets
12 Smithfield Street
London
EC1A 9BD

Registrars
Equiniti
Aspect House
Spencer Road
Lancing
BN99 6DA

Registered Office
Merse Road
North Moons Moat
Redditch
Worcestershire
B98 9HH

Registered No
FW Thorpe Plc is registered in
England and Wales No. 317886

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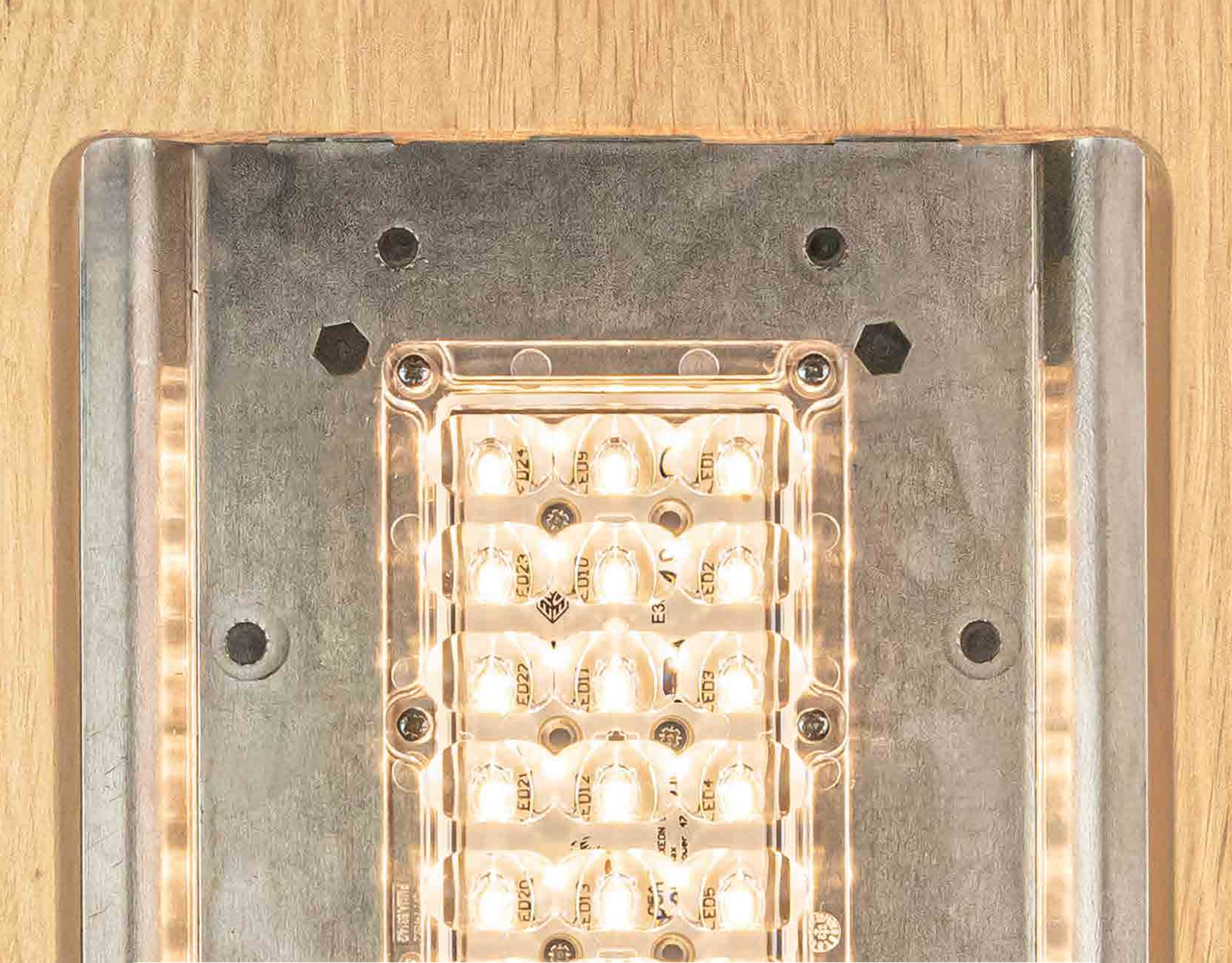

FW Thorpe Plc

Thorlux Lighting | Philip Payne | Solite

Portland Lighting | TRT Lighting | Lightronics

Famostar | Zemper | ratio

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